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The Nation's Business

Industry Looks at Labor Relations

C.M.A. Should Seize Chance to Lead

Trades Congress Head Dodges C.I.O. Issue

Handicaps on Canadian Magazines

Maritime Provinces and U. S. Markets

Industry's Chance For Leadership

WHEN the Canadian Manufacturers' Association opens its annual convention in Toronto next week, the broad question of labor relations and the current campaign for unionization will constitute one of the most important problems to be dealt with. If it is to be rated by the standard of the extensive publicity given labor activities in recent months, and the considerable public interest aroused, it is perhaps the problem of most immediate and pressing importance.

Even cursory study of the labor question in Canada at present makes it clear that the desirability or otherwise of extended formation of unions among workers, and of employers dealing with unions and their agents, is but one phase of the larger problem of employer-employee relations.

* * *

NEVERTHELESS, the C.I.O. campaign, the acceleration of organization efforts by other union groups, the unmistakable tendency of many workers to seek union affiliation, and the restiveness of labor seeking to benefit from returning prosperity, are all operating to make the general question of labor policy a live issue. They are focusing attention on the methods by which industry deals with its workers, on how the two groups may best work together with mutual benefit.

Industrial executives are being compelled to study the situation closely and seriously, and to determine the best policy by which the just claims of labor may be satisfied as far as possible, undesirable and disruptive influences blocked, and the joint operation of industry by employer and worker given stable continuity.

* * *

AS FAR as The Financial Post can determine, virtually all Canadian employers nourish objections, varying in number and intensity, to the C.I.O. Nearly all hold a basic preference for dealing directly with their employees, either as individuals or through plant council and employee representation systems.

When it comes to unions, feeling is divided. While retaining their preference for direct dealings, some employers are agreeable to negotiate with workers through unions and their agents, or would resign themselves to this under pressure of circumstances. Others are emphatically opposed to contacting their employees through "outside" bodies and individuals, and would resist such procedure as being against the best interests of industrial peace and prosperity.

There are, of course, employers in some industries and in hundreds of small plants throughout the country who are unaffected by the union problem, and may never be affected. But even these are being pressed by events to evolve some definite policy of labor relations.

* * *

THE situation thrusts upon the Manufacturers' Association, representing as it does an important group of industrialists throughout the country, a plain duty to grapple decisively with the problem and to evolve a challenging policy which will serve the interests of industry, workers and the public. The Association is confronted with an exceptional opportunity to demonstrate, with a broad enlightened labor policy to which every industrialist can subscribe, that it is aware of the factors in the present situation and appreciates its responsibilities to labor.

There is confusion in the minds of many employers, as well as of the public, as to just what the situation really means and how they should cope with it. The Association can clarify the present problem and give leadership to industry as a whole by exploring the most practicable and most equitable means to achieve a partnership in industry.

* * *

THE labor policy of the Association has remained virtually unchanged since 1919. Broadly speaking, it admits the right of employees to associate but endorses the plant council method. It encourages employee relations dominated by mutual interest and fairness to workers. One cannot quarrel with this basic idea, but current conditions require that it be reviewed to determine whether or not it is adequate to meet present day problems.

Premier Hepburn was on sound ground when he took the view that an effective method of halting the advance of the C.I.O. and other irresponsible groups was to eradicate unfairness and discontent, and leave no fertile fields wherein the C.I.O. could take root. To industrialists generally, and particularly to those apprehensive of the C.I.O. or other unions, the C.M.A. should

(Continued on page 2, col, 3)

Board Leads In Union Gas Proxy Battle

Majority of Directors Receive Indications of Large Vote

COSTE CRITICISMS

It is understood that the majority of eight of the nine directors of Union Gas Co. of Canada have received indications of sufficient proxies for the special shareholders' meeting called for June 8 to resist changes in the board proposed by one director, Eugène Coste, Toronto.

Eight of the nine directors of the company recently wrote to shareholders requesting proxies as an expression of faith in the present management. They commented that the criticisms of Eugène Coste are unfounded. The eight majority directors are S. A. Morse and D. A. Coste of Chatham, Ont.; Arthur F. White and David P. Rogers of Toronto; W. L. Duffield, London, Ont.; W. J. K. Vanston, New York; and R. L. O'Brian and Charles M. Kennedy of Buffalo.

*In a letter to shareholders dated May 18, 1937, Eugène Coste suggests removal from the Union Gas directorate of Arthur F. White and S. A. Morse. In asking for proxies for the special meeting he says his view is that Union Gas earnings justify an annual dividend rate of 80 cents a share at present.

Comment on Director

Mr. Coste asserts that a finance committee of the Union Gas board, including Arthur F. White and S. A. Morse, decided in 1930 that Union Gas should assume debts of $2.6 millions of the Hamilton companies. In 1931, says Mr. Coste, Arthur F. White requested that the Union company guarantee in perpetuity annual dividends of $540,000 on United Fuel Investments preferred stock. A modified resolution was adopted, Mr. Coste states, providing for payment of $360,000 toward United Fuel preferred dividends over a two-year period. "I can find no consideration for this $360,000 payment," Mr. Coste says.

As to "dual capacity" of Arthur F. White, Mr. Coste comments:

"There is no record in the minutes of the Union company, when the $360,000 payment was authorized, of A. F. White disclosing that his firm had any interest in this dividend guarantee, although the Dominion Securities Corp. and a nominee of the Bank of Commerce together held over $2 millions of this preferred stock as late as 1935. Dominion Securities promoted United Fuel Investments Ltd. and underwrote the $9 millions of preferred stock in 1928 . . . It should be noted that A. F. White, while a director of the Union company was also vice-president of United Fuel Investments Ltd., vice-president of the Canadian Bank of Commerce (bankers for Union company and United Fuels) and president of Dominion Securities Corp."

Mr. Coste states that in 1930 directors R. L. O'Brian and Arthur F. White recommended a contract to pay president S. A. Morse $40,000 a year for 10 years as general manager. In 1931, says Mr. Coste, on motion of Messrs. White and O'Brian, the contract to pay $40,000 annual salary was approved.

A director states emphatically to The Financial Post that Mr. Morse does not get $40,000 a year, nor as much as $30,000 a year from Union Gas and that Eugène Coste as a director should know it.

London Versus Hamilton

Mr. Coste explains that in 1930 Union Gas bought all common stock of City Gas Co. of London and of United Fuel Investments Ltd., Hamilton. He says the logical move was to pipe natural gas to London but that nothing was done in this regard until 1935. His reasons are that the Hamilton company had $13 millions of obligations ahead of the common stock owned by Union Gas and also had competition from Dominion Natural Gas Co., subsidiary of Cities Service Co. whereas London was an ideal market without competition.

Mr. Coste says that as a director of the company and its geologist he urged in Dec., 1931, that a pipe line be built into London. He says that in his opinion if the London market had been tapped as he suggested it would have meant additional net revenue of at least 50 cents a share after the first year. However, he explains that with a loan of $7,135,000 at the bank the Union company was unable to finance the pipe line. Mr. Coste also raises the question of why the facts were not brought out before; and he states that he was absent in France from Oct., 1930, to April, 1931, and that on his return he realized that until the bank loan could be liquidated no action should be taken.

Highlights

Mining Revival

Old mining district at Nelson, B.C., is reviving but ore reserves are still uncertain. Page 3

French Canada

Business recovery in the Province of Quebec gives added importance to this $600 millions market. Special section. Pages 19-23.

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NEW PRESIDENT

Clement Tremblay, secretary-treasurer of Ayers Ltd., Lachute, P.Q., who has been elected president of The Canadian Woollen & Knit Goods Manufacturers Association. This body includes 297 mills, in 137 municipalities, employing directly over 30,000 people.

Bank Loans Up in April

Increase of $16 Millions Reflects Business Improvement Trend

Current loans of the Canadian chartered banks, mainly loans for commercial purposes, increased by $16 millions during April to $710.4 millions, according to the composite monthly return of the banks to the Minister of Finance.

This increase, the fourth in succession this year, is the largest for any month since last October, when seasonal influences were apparent. It is attributed largely to general improvement in business and to higher commodity prices. Bankers state that a good many customers are asking for a higher line of credit on the ground that raw materials are costing more. Substantial forward buying is also reported, purchasers still stocking up to cover the possibility of further price advances.

An additional factor in the higher loan total for the month, according to some of the banks, was unusually heavy demand from automobile dealers. Fearing delay in delivery of cars because of strikes, dealers stocked as many cars as possible, borrowing from their banks to provide the necessary funds.

Partly reflecting the increase in loans, demand deposits with the banks increased $21 millions in April. Savings deposits are practically unchanged. Holdings of Government and other securities advanced a further $12 millions during the month to $1,439.7 millions.

Double Duties Speed Exodus

Alberta Residents Likely to Move to Escape Tax

Efforts of Premier Aberhart to halt the exodus of investment wealth from Alberta, by cancelling reciprocal succession duty arrangements between Alberta and Ontario, British Columbia, New Brunswick, Great Britain and Northern Ireland, is likely to have a directly opposite effect from that which the premier intended.

The order-in-council signed by Mr. Aberhart is obviously predicated on the theory that collection of double death duties by Alberta residents owning property in other provinces will prevent Alberta losing money from the transfer of cash and securities to other areas. An estate of $200,000, most of which was transferred recently to British Columbia is cited as an example. Under the former arrangement the estate would have paid $20,000 to British Columbia and Alberta would have allowed credit for that amount to the estate in making its own levy.

Under the new arrangement, however, the estate would pay $20,000 in both provinces or roughly $40,000 in all, compared with a smaller levy of the two provinces combined, under the reciprocal plan.

Legal circles forecast extensive litigation in the case of estates affected by the cancellation but other informed quarters in Alberta, including Government officials, are quoted as believing the real effect will be to stimulate the exodus of Alberta residents, who, instead of merely transferring securities and other assets to another province will also dispose of residential properties in Alberta and establish new homes in provinces or other areas to which they have previously sent their assets.

C. I. O. Strikes Blow at Mines

From Our Own Correspondent

WELLS, B.C.—C. I. O. struck its first blow at Canadian gold mining when the four months old Cariboo union placed 300 miners on strike at Cariboo Gold Quartz and Newmont's Island Mountain. By a vote of 286 to 76, the miners have recorded their demand for higher wages and union recognition.

The Cariboo district of British Columbia is reported to be 100% organized and the Bridge River district partially organized.

Cotton Firms Report Boom In Operations

Current Business Ensures Best Earnings in Years

ACTIVITY REFLECTED

From Our Own Correspondent

MONTREAL.—Primary cotton textile manufacturers report sufficient contracts on hand to keep the mills busily engaged for some time. There is a slowing of new orders, but the situation continues healthy and the Canadian textile barometer points to "clear weather."

One of the larger American cotton manufacturers recently closed down plant operations because of an accumulation of inventories. A check-up among the Canadian operators to find if such a condition had developed or was likely to develop here found no confirmation.

Conditions Are Healthy

New manufactures are moving out steadily. A recent enquiry among dress goods manufacturers and retail stores does not indicate any piling up of inventories in anticipation of higher prices. Consumer demand is in line with increased plant activities, so that situation from the manufacturer to the distributor appears to be sound.

The easing of new orders can be explained by the fact that some buyers may anticipate a falling off in price as result of the general decline in commodity values. At the moment prices for cotton fabrics are holding strong and the primary producers do not look for any material change.

Change for the Better

Over the past 12 months there has been outstanding improvement in the operations and earnings of the principal primary cotton textile firms. The financial statements for 1936 do not wholly reflect the improvement, as the impetus, which has since carried into 1937, took place later on in the year. However, the reports give sufficient indication to show that activity is on a higher level than it has been for some time, while earnings have been and are on a broader scale.

Last February, Cosmos Imperial put its common stock on a 25 cent quarterly basis. This was the second increase within 12 months. Share earnings in 1936 were much the same as in 1935, but reports are that they are running considerably better than the $1.49 a share shown for last year.

Share Earnings Higher

Hamilton Cottons common share earnings advanced from $2.39 a share in 1935 to $3.56 a share in 1936. No dividend has been paid on the common on account of arrears on the preferred, but if business keeps up it is likely that the management will give consideration to cleaning up this obligation, which amounts to $6.50 a share.

Montreal Cottons, closely allied with Dominion Textile, reported larger share earnings in 1936 than at any time since 1926. Last March the company paid a dividend of 50 cents on the common, the first since 1932. As earnings on the common amounted to $6.51 a share last year and with business continuing highly favorable, it would not be surprising if a further distribution was made this year.

Big Firms Prosperous

The improvement in Canadian Cottons position is to be seen in share earnings on the common stock. They amounted to $5.17 in the year ended on March 31 last compared with a deficit of 86 cents a share the year before.

Dominion Textile's report for the 12 months ended last March has not made its appearance. However, it is expected to show the $5 dividend on the common earned, a feat which the company has been able to do only twice in the last seven years.

Build to Meet Demand

Confidence in the outlook is shown by the manufacturers in announced plans to increase productive facilities. Normally cotton textile companies make large outlays in keeping their plants and equipment up to date. At present Dominion Textile and Canadian Cottons are spending $600,000 on extensions. This outlay is over and above ordinary maintenance charges.

Lake Sulphite Co. Work Progressing

Expect to Have Mill Complete by Year-end — Wood Plans Laid

From Our Own Correspondent

MONTREAL. — Underwriting of the common stock and $3 millions of 5½% convertible bonds of Lake Sulphite Pulp Co. has provided the funds necessary to proceed rapidly with construction work on the mill at Redrock, Ont., near Nipigon.

It is understood that underwriters of the bonds will make a public offering when the time is opportune. The common shares offered at $26.50 a share, recently dropped to close to $20 a share, but in the last few days has risen to about $22.

R. O. Sweezey, Montreal, president of the company, reported recently on construction work as follows:

"The railway spur has been completed; clearing and levelling the plant site has been finished, and with four hundred men on the job, active work on the foundations is progressing satisfactorily. Cutting and peeling pulpwood has begun on the limits, some of which are within five miles of the mill site. This and other low cost wood from the adjacent settlers' lands will be used to build up the woodpile for the mill operations next spring and summer.

British-U.S. Trade Plan Supported at Conference

Dominions Favor Surrendering Share of Imperial Trade Preference — Canada to Enlarge Pact With United States — Aim Is Stabilization of Gold Price and World Trade

By Cable—From Our Own Correspondent

LONDON.—While there is outwardly little evidence of finality in the formal discussions at the Imperial Conference, preliminary agreement has already been reached, in informal conversations, on many matters of great importance to Canada.

It can be said that the following decisions have been tentatively arrived at:

The principle of the United States-United Kingdom trade treaty has been agreed upon.

To enable such a treaty to be signed, the Dominions will surrender some part of the preferences granted under the Ottawa agreements.

Canada will reimburse itself by widening the reciprocity treaty with the United States.

Britain will aid in the stabilization of the gold price and of currencies, pending a world economic conference to produce a general economic settlement of post-war problems.

Economic Disarmament

The major significance of these decisions will be appreciated when one adds them up and observes that they mark out a broad and comprehensive highway to world economic disarmament.

What is shaping up in London is nothing less than an effort to bestow the blessing of the United States and the entire British Empire upon a world drive for peace through lower tariffs and stabilized currencies.

London thinks that the chances of success today are much better than in 1933 when the World Monetary and Economic Conference broke up in confusion and bitterness.

Anglo-U.S. Trade

The Dominions delegates have been apprised of the proposed terms of the trade treaty that has been under discussion between the United States and the United Kingdom. While they have approved the general purposes and the tentative outline, so far as their own interests are concerned, it seems certain that the further negotiations will be somewhat protracted.

Both the United States and the United Kingdom are determined that the treaty that will result will be a model one that will challenge the world, not only by its spirit but by its practicality and likelihood of success over a long term.

The Dominions clearly recognize now that an Anglo-American trade pact will be possible only at the cost of some modification of the fixed preferences granted in the Ottawa agreements.

In brief, not only will the Dominions have to surrender some of the preferential advantages they enjoy in the British-United Kingdom market but Britain will have to be content with smaller advantages in the various Dominions as compared to other countries.

Enlarge Canada-U.S. Pact

In the case of Canada, a significant result of the unfreezing of Imperial preference and intermediate tariff spreads must be an enlargement of the Canada-United States trade treaty. In this manner, Canada will hope to reimburse itself—in the United States markets—for any losses that it may suffer from sharing the British and other Empire markets with United States producers of foodstuffs and other raw materials.

The larger importance of what is happening is not to be overlooked. The British Dominions are sitting in on trade treaty negotiations between the United Kingdom and the United States. In such a situation there is more than an even chance that the area of negotiations will be widened and that the ultimate outcome will be a series of trade treaties—modelled on the Canada-U.S. treaty—

(Continued on page 2, col, 3)

Lyons Takes Strong Stand For Defense

Canada Refuses to Commit Herself Before Emergency

COMMITTEES BUSY

By H. NAPIER MOORE
Editor, Maclean's Magazine

LONDON.—So far as news for newspaper headlines is concerned, the Imperial Conference resembles a ship becalmed in a sea of aspirations but lacking the breeze of definite leadership.

H. NAPIER MOORE

This is a picture that is only superficially true. A great deal of work is being done in committees and a great deal more in private and thoroughly informal conversations. It is in such that the viewpoints of Britain and the various dominions are slowly being sorted out.

Lyons Tackles Defense

While Prime Minister King of Canada has been putting the emphasis upon the means to trade recovery, Prime Minister Lyons of Australia has aggressively taken the leadership in matters of Empire defense. Mr. Lyons faces an election in the near future. He wants to be able to take home to his people from the conference something that will appeal to their imagination.

Australians are very much interested in the matter of defense. They are more than ever worried about the possible ambitions of Japan. Now that Japan's drive in North China is admittedly a failure and Manchoukuo has failed to satisfy economic yearnings, Australia greatly fears that Japanese eyes may eventually turn southward. She is also concerned as to the possible consequences in the Pacific of Philippine independence.

If Mr. Lyons could return to Canberra, with the world giving him credit for having whipped the Empire nations together in a scheme of defense co-ordination, it would appeal strongly to his public.

Clue to Policy

Some clue as to Great Britain's policy in the matter of a co-ordinated scheme of Imperial defense was provided by Sir Thomas Inskip, home defense minister, in a talk to the Empire Press Union just before he presented Britain's case to the overseas delegates at the Imperial conference. He made it clear that plans had been made to prepare in advance for any emergency so that communications between all parts of the Empire would remain unsevered. This suggested to many of his listeners that he was confident of an Empire-wide undertaking on defense measures.

It is unlikely that Mr. Lyons will succeed in obtaining the approval of Mr. King and his other Canadian colleagues for any scheme of joint Empire defense under which the control would remain centred in London.

Canada's Position

Canada is willing to exchange defense information and is prepared to avoid overlapping, but her delegates at the conference have taken the stand that Canada will not enter into any commitments, in advance of an emergency, which would provide for military or naval assistance outside of Canadian territory.

Mr. King has so far endeavored to refrain from committing Canada on any major point whether economic, military, constitutional or otherwise. He has expressed many opinions but none of them would be regarded at home as very controversial.

In addition to Mr. King, Hon. Charles Dunning, Minister of Finance, Rt. Hon. Ernest Lapointe, Minister of Justice, and Hon. Ian Mackenzie, Minister of National Defense, are attending all meetings of heads of delegations. The Canadian contingent presents a strong picture even among such an important group of Imperial statesmen.

Lapointe on Constitution

Mr. Lapointe is chairman of the very important constitutional committee that is untangling the complicated knots of problems of nationality left by the Statute of Westminster. Typical problems of the type the committee is wrestling with are these: Does British protection for British subjects travelling outside the Empire apply to citizens of the Dominions when they travel? Or again this: Does a citizen of the United States, assuming Canadian citizenship, become thereby a British subject?

Simpsons Ltd. Holds Up Plan

Directors Drop Proposal to Liquidate Dividend Arrears

Directors of Simpsons, Ltd., have decided not to proceed at the present time with the plan of reorganization which was approved by shareholders at the special general meeting on April 8.

Decision of directors to defer action results from opposition to the plan by a substantial group of shareholders residing abroad. No reason for the opposition of foreign shareholders has been given.

While the plan was approved by a majority of shareholders on April 8 the plan had yet to be approved by the courts. Rather than attempt to push the plan through in the face of opposition directors decided to shelve the proposal for the time being.

The plan called for reduction in the dividend rate on the preferred stock from 6½% to 5% and the issuance of class A and B stock in compensation for cancellation of $21.50 a share of dividend arrears.

On May 1 the company paid a dividend of $1.25 a share on the preferred stock which is at the rate of 5% on 6½% stock. Had the plan been approved then the $1.25 dividend would have been on the proposed 5% stock.

Duplessis Upholds Quebec Power Contracts

From Our Own Correspondent

MONTREAL. — Claiming that there had been no intention of interfering with contracts between the power company and another private company, Premier Duplessis had stricken from the Electricity Commission Bill the clause ruling that a power company could not make a contract for longer than five years and that any contract in force would be automatically reduced to a five-year period as from Dec. 1 next.

J. H. Gundy Interprets His Abitibi Power Offer

J. H. Gundy, president of Wood, Gundy & Co., in a letter to The Financial Post, sets forth his interpretation of his firm's offer for reorganization of Abitibi Power & Paper Co. It reads:

Editor, The Financial Post:—

"Our offer to the liquidator of the Abitibi Company, under date of May 3, 1937, has now been before the Court and the public for sufficient time to permit analysis and criticism, if any, from various interests concerned.

"It may be opportune to set forward briefly the theory upon which this offer is based, namely, that:

"The assets and earning power of the Abitibi Company are adequate to fully take care of all the just claims of the bondholders and preferred shareholders, and any residue of equity is the property of the common shareholders.

"The plan, therefore, provides that the bondholders shall receive an interest bearing security for the amount of their principal, plus accrued interest, plus interest on interest. This amounts to approximately $135 as at Dec. 1, 1937, for each $100 of principal amount of bonds outstanding. $60 per $100 of principal amount of bonds will be in the form of a fixed first mortgage security and the $9,000,000 of new money required shall rank not ahead, but equally with, the first mortgage bonds being given to present bondholders. Other plans discussed provide for the new capital being furnished in the form of a prior lien.

"Seventy-five dollars for each $100 of principal amount of bonds outstanding will be in the form of a cumulative income bond.

Conversion Privilege

"The fact that the interest on the latter is not fixed, but based on income, is compensated for by providing a valuable conversion privilege. This entitles the holder of the income bonds to an option, good throughout the life of the income bonds, to convert into common stock at the same average price, namely, $33.33 a share, at which price the preferred shareholders will immediately convert their presently outstanding claim, including accrued dividend but no interest thereon.

"The conversion price of the income bonds could be reduced or increased, involving an increase or reduction in the number of common shares ultimately outstanding, provided the preferred shareholders are given new common shares in payment for their present claim at the same price at which the income bondholders receive the option of conversion. In other words, the basis of the plan is that the price at which the preferred shareholder accepts common stock in satisfaction of his claim shall be the price at which the income bondholder receives the option of conversion good throughout the life of the income bonds."

Wood, Gundy & Co.,
J. H. GUNDY, Pres.

Toronto, May 26, 1937.

Second Offer To Reorganize Abitibi Paper

Harrison & Co. Proposes to Raise New Money

PLAN CONVERSIONS

Harrison & Co., Toronto investment firm, has made an offer to the liquidator of Abitibi Power & Paper Co. with a view to reorganizing the company and terminating the present receivership.

The offer proposes to raise over $10.5 millions of new money by giving warrants to purchase convertible debentures to holders of the common shares. The debentures would be underwritten by Harrison & Co.

Details of the offer for the various Abitibi securities now outstanding are as follows:

For each $1,000 of present bonds, and arrears of interest, the holder would receive $1,000 of new 5% first mortgage bonds and full value in the form of 5% convertible general mortgage income bonds for the interest arrears. The amount of general mortagage bonds would be approximately $346.59 in addition to $1,000 of first mortgage bonds. The first $10 millions of the general mortgage bonds would be convertible into new common stock, $100 for two shares.

For each $100 share of 7% preferred and dividend arrears, the holder would get three new common shares.

For each 6% preferred share of $100 including dividend arrears, 2½ common shares.

For each eight of the present common shares holders would receive one new common share.

Warrants For Common

The offer proposes that holders of the present common shares also be given warrants to purchase convertible 6% debentures, junior to the new securities of bondholders, to supply new capital. Each present common would receive a warrant to buy $10 of the 6% convertible debentures. And each $100 of the debentures would be convertible into five of the new common shares.

Harrison & Co. would purchase any debentures not taken up by shareholders, assuring the company of more than $10.5 millions of new money.

The capitalization that would result immediately from this offer is as follows:

Proposed Abitibi Capitalization

5% 1st mortgage bonds	*$48,267,000
5% gen. mtge. income bonds	*16,728,859
6% convertible income debent.	10,881,170
Common stock	1,036,485 shs.

*All for present bondholders.

The outstanding common stock would be increased to 1,580,544 shares by conversion of all the 6% debentures. The conversion up to $10 millions of 5% general mortgage income bonds into common shares at two shares for $100 of bonds would raise the outstanding common stock to a maximum of 1,780,544 shares.

Harrison Viewpoint

In making the offer, Harrison & Co. states that it preserves the prior lien of bondholders intact with full value for all bondholders' claims. New money is raised through securities junior to the new securities offered to bondholders. And it is stated that the proposed capital would give elasticity to the capital structure with the prospect of reducing fixed charges through conversions of debt in a period of prosperity for the company.

The initial common share capitalization would give about 87% of the equity to holders of preferred shares. Purchase of new 6% debentures by the common shareholders, and subsequent conversion would leave the present preferred issues with about 57% of the equity and approximately 43% in the hands of common shareholders who put up the new money. Exercise of all conversion privileges, including that of the 5% general mortgage bonds would leave 50.6% of the new common shares with the present preferred holders, about 38% with common shareholders and over 11% in the hands of present bondholders.

The Harrison & Co. offer is entirely independent of the offer of Wood, Gundy & Co. which was made to the liquidator about three weeks ago. Both offers are independent of the plan of reorganization drafted by the bondholders committee.

A second offer for reorganization of Abitibi Power & Paper Co. to remove the company from receivership has been made to the liquidator, R. S. McPherson, C.A., Toronto, according to authentic information received by The Financial Post. The new offer comes from a Toronto investment firm. It is independent of the recent offer of Wood, Gundy & Co. and is entirely separate from the

(Continued on page 2, col. 6)

Utopia

The other day a Post editor went into a thriving Canadian industrial community and spent a day or two mingling among the workers of the town's leading industry. When he wrote his story he headed it "Utopia," because he felt he had stumbled on an almost ideal solution of the very vexed question of industrial relations.

This story will be told in an early issue of The Post as one aspect of our country-wide survey of industrial relations. The first of these articles appears in the current issue.

In next week's issue The Post will publish its 23rd consecutive review of government and municipal securities. There is scarcely a community in Canada where these securities are not held in some form or another and the grave problems that have centred around governmental bodies in recent years make this subject one of the most pressing and dominant in the entire investment field.

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BAY STREET SECTION

EATON'S-COLLEGE STREET

The Nation's Business

(Continued from page 1)

make it clear that a progressive, considerate labor policy is the best guarantee against discontent and disrupted relations. Those industrialists who have such a policy should outline their experiences.

Any contribution the C. M. A. can make toward evolving such a policy will be a distinct service to industry and to the nation.

• • •

Labor Attitude to Lewis Not Clear

IN SOME circles the Hamilton speech of P. M. Draper, president of the Trades and Labor Congress of Canada, is interpreted as a fighting challenge to John L. Lewis and the Committee for Industrial Organization. Mr. Draper said that Canadian labor was "irrevocably opposed to all forms of dictatorship of whatever type."

Unquestionably, Mr. Draper presented, in very general terms, a sound programme for labor. It was in the tradition of similar utterances made on previous occasions by Mr. Draper and his predecessor, Tom Moore. It gave short shrift to agitators, revolutionaries and disruptive critics. It has been interpreted by the Left Wing labor groups in Canada as a victory for the "conservatives."

But it did not specifically declare the position of the Trades and Labor Congress on the subject of John L. Lewis's challenge for power. It still remains open for the Congress, without departing from Mr. Draper's formula, to apply the epithet of would-be dictator to Mr. Hepburn or William Green instead of to Mr. Lewis.

• • •

IN TORONTO, the local Trades and Labor Congress last week passed a resolution favoring larger representation of labor in municipal, provincial and federal governments. In its resolution, it made a curious reference to

> "organized opposition to the international trade union movement . . . . challenging the right to organize internationally from the advantageous position of public office."

Just what this means it is difficult to say. It is to be hoped it does not mean that the labor in Canada backs John L. Lewis's political aims in the United States in the hope that a White Housed Lewis would give aid to the unionization movement in Canada.

At the same time that the Toronto Labor Congress was passing that resolution the Communist party was attempting to organize a united farmer-labor front for "independent political action."

Red organizations continue to attach themselves to Canadian labor movements whenever possible. Mr. Draper has indicated official disapproval but only in general terms; he has not followed the American Federation of Labor in specifically rejecting both Communists and the C.I.O.

• • •

National Literature Handicapped

THE difficulties which face the Canadian publisher in providing the country with national periodical literature are well exemplified in the annual statement of Consolidated Press, Limited. This company publishes Saturday Night, Canadian Home Journal, the Farmer, and a number of other publications.

For five successive years the company operated at a deficit. In the year ended March 31, it managed to show a small profit of $74,519. This was equivalent to $1.49 a share on the common stock.

• • •

MISS M. Rose Sutton, the president, says in her report:

> "We have good reason, we believe, to be proud of the character and quality of our publications."

Every good Canadian magazine or other periodical publication competes with a tidal wave of foreign publications which are exempt from the heavy Canadian taxes that Canadian publications pay. Miss Sutton points out that in the case of her company, taxes last year absorbed $1.15 per share on the common stock. She says in her annual report:

> "While advertising revenues are rising, attention should also be called to the fact that the increasing pressure of sales of American publications, now coming into Canada free of any duty or sales tax, is making itself felt in the rising cost of securing and maintaining the sales of our various publications."

The Canadian publisher has the problem of a restricted market to wrestle with but in addition he is not granted the minimum benefit of an even break with his foreign competitors.

• • •

Maritimes Need American Markets

IN ANY arrangement that may be made at the present Imperial Conference to facilitate trade between United States and the British Empire the special position of the Maritime Provinces must be considered. It has been suggested that for a larger portion of the American cattle market Canada might well share some of the United Kingdom outlet for pork products, apples and lumber with her southern neighbor.

Under the original Ottawa agreements and as renewed by the recent Anglo-Canadian trade agreement, this Dominion is guaranteed a substantial preference for such products in the Mother Country. The preference has proved a boon to the Maritime Provinces and has gone a long way to offsetting lost markets in United States for foodstuffs, particularly fruit, lobster, cod fish and potatoes.

Any sacrifice of the present preferred position in Britain in return for wider outlets for Canadian cattle would not help New Bruswick, Nova Scotia or Prince Edward Island. These provinces do not produce any surplus in cattle.

• • •

FOR generations the Maritime Provinces looked upon United States Atlantic Coast cities as natural markets for the great diversity of agricultural and other natural products they produced. In addition, these same cities absorbed a heavy percentage of the younger population of the provinces "down by the sea."

Offsetting the flow of goods and population there was a big influx of wealthy tourists from United States every year. These people came to fish, to hunt, to swim and to enjoy a climate and surroundings unsurpassed by anything on the whole North American Continent. Many of these American visitors including the present president of United States had their own summer homes on this side of the border.

This tourist trade from United States the Maritime Provinces still possess, and through continuing large scale expenditures on public highways, sane game conservation laws and the establishment of modern hotels and summer camps, they propose to hold on to it.

• • •

IN RETAINING their market for foodstuffs, however, they have not been as fortunate. American post-war tariffs cut seriously into that trade. This loss should be remembered by the rest of Canada in any new trade proposals that may now be considered. And United States should not be allowed to forget that from a geographical standpoint food producers in our Maritime Provinces are very much closer to the great Atlantic coast centres of population than are 95% of the producing areas in their own country.

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Second Offer Made To Reorganize Abitibi

(Continued from page 1)

reorganization plan of the bondholders' committee which is to appear soon.

This new offer is now being prepared for presentation to the courts. Details of the provisions for various classes of security holders have been completed, but will be made public only when the plan is presented.

Larger bondholders are not sympathetic with the provisions of the first offer for reorganizing Abitibi made recently by Wood, Gundy & Co. This contemplates issue of $600 of new 5% first mortgage bonds and $741.25 of 5% convertible second mortgage bonds in exchange for each $1,000 of the present bonds and for interest arrears of $341.25. The offer also includes provision for issue of $9 millions of serial first mortgage bonds to raise new working capital, which is regarded as a dilution of the first mortgage security.

It is understood that the new offer is a serious attempt to satisfy bondholders with full prior claims on the security of the enterprise.

Bondholders' Plan

Meanwhile final negotiations have been proceeding toward public presentation of the reorganization plan drafted by the bondholders' committee headed by J. P. Ripley of Brown Harriman & Co., New York. It is expected that the bondholders' proposals will be completed shortly. Details of the scheme have been changed several times, but the legal principle for reorganization favored by the committee is a judicial sale of the Abitibi assets under the 1935 amendment to the Ontario Judicature Act. This legislation permits sale of corporation assets under a bond mortgage through the courts for payment in a form other than cash. To make such a sale binding upon all bondholders, it is necessary to obtain approval of holders of 50% of the bonds, or such smaller proportion as the court may deem acceptable.

The offer from Harrison & Co., like the Wood, Gundy offer, contemplates reorganization of Abitibi by proceeding through the Companies Creditors Arrangements Act. That would require consent of 75% of bondholders and of unsecured creditors. To make such a reorganization binding upon shareholders, it would then be necessary to obtain approval of 75% of each class of stock represented at special meetings.

Since the consent of bondholders only is required under judicial sale procedure, it is regarded as the simplest way of reorganizing the company. But some large holders of preferred stock and also of the common shares fear that judicial sale proceedings would give them an unsatisfactory portion of new equity securities in the company. Whatever the method of reorganization, legal disputes over the terms for the various investor groups are considered unavoidable.

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British-U.S. Trade Plan Approved in Principle At Imperial Conference

(Continued from page 1)

between the United States and each of the other British Dominions.

Want Congress Approval

The British Government is now demanding a treaty approved by Congress and does not care to accept an agreement negotiated under President Roosevelt's special powers in the field of reciprocal pacts. London considers that a treaty approved by Congress is likely to enjoy greater permanence than an agreement under the powers delegated to the President. The British are putting out a good deal of propaganda to the effect that nothing short of a long-term treaty will be accepted and that Imperial Preference will not be abandoned.

However, should Washington be adamant and decline to go beyond the reciprocal trade programme of Mr. Roosevelt and Mr. Hull in this respect, Britain will accept a treaty of more limited aspect. With the whole world sitting on top of a volcano, Britain will not take a chance on rebuffing Roosevelt and missing the present opportunity to unite the Anglo-Saxon race in a challenge to the world at large. Even though London hears that Mr. Hull does not speak for the United States and cannot bind the country for any substantial period, London will back him in his effort.

Thus political values are assigned as much weight as economic values —more in fact—in the present discussions.

King Leads Fight

Up to the present time, Prime Minister King has led the conference discussions with the British sitting back. This has suited their position. A week ago the conference threatened to become deadlocked because of the British willingness to let Mr. King lead the fight for freer trade policies. Mr. King found himself in a position where he seemed to be forcing the hand of the British Government in its negotiations with the United States, a danger he quickly sensed and immediately sought to avoid.

But it is now obvious that the British Government at no time had any intention of missing the opportunity of effecting closer trade ties with the United States.

Last week's cable told of the highly important place occupied by gold in the conference discussions. This picture is now assuming more definite lines.

Gold Price Stability

South Africa, whose prosperity in these recent years has been bought by gold, and which suffered a major fright from recent discussions about a possible lowering of the price of gold, has been strongly urging that the price should be stabilized at some figure, even if that figure is lower than the price at which the United States Treasury buys gold from any country.

But South Africa's willingness to accept a lower price as the cost of a stabilization of the value seems to be a little uncalled for at the moment since the gold situation has clarified considerably.

Great Britain's insistent pressure upon the United States has had the effect desired and it is clear that Washington has agreed not to do anything about the price of gold pending the Empire-America effort to produce a condition in the world favorable to currency stability and rising trade.

Britain Buying Gold

Britain is now co-operating with Washington in buying gold and will continue to aid in supporting the present price from time to time when particularly large supplies come upon the market. But Britain is paying little attention to South Africa's further plea for early re-establishment of the gold standard. Britain has never even bothered to revalue her gold stocks.

The conference is developing an atmosphere favorable to a larger conference and a general world settlement of trade and currency problems. It is recognized that all of these problems are closely interrelated and that, in turn, they have an obvious bearing upon the question of world peace.

At the moment, it is undetermined as to whether the Anglo-American trade treaty will be concluded and will be published as a herald of the world economic conference; or the somewhat different procedure be adopted of calling the conference at the invitation of President Roosevelt, leaving the signing of the treaty for the conclusion of the conference.

What has to be considered is whether or not the signing of the Anglo-American trade treaty before the calling of the conference would jeopardize its success by presenting it with what other countries might regard as an attempt to dictate the terms and policies of a world settlement.

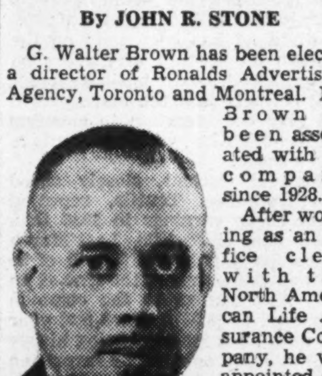
Another problem is that the Anglo-American treaty must embrace an agreement upon gold buying and currency stabilization policies as between the pound and the dollar. These are the two chief currencies in the world today, and in some quarters it is felt that to attempt to work out an agreement on these two currencies before calling all nations into conference would render freedom of discussion difficult.

Whatever technique is adopted, London is now confident that there will be no major currency moves, either by way of a change in the gold price or a new exchange equalization agreement between the United States and Great Britain, until larger world problems have been considered and worked out.

What's What In Advertising

By JOHN R. STONE

G. Walter Brown has been elected a director of Ronalds Advertising Agency, Toronto and Montreal. Mr. Brown has been associated with the company since 1928.



G. WALTER BROWN

After working as an office clerk with the North American Life Assurance Company, he was appointed advertising manager in 1924. In 1926 he became a member of the staff of the advertising department of the Ford Motor Company of Canada in Windsor, Ont.

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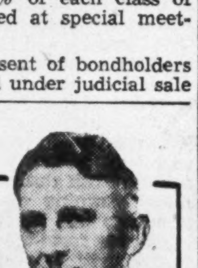

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SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Paris Ont.	May	Isard, Robertson & Co.	3½%	1938-47	$6,079	100	3½%
Kentville, N.S.	May 25	R. A. Daly & Co.	4%	1957	$25,000	100.82	..

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Metropolitan Bldg.	May	McLeod, Young & Weir	4¼%	1938-42	$200,000	...	...
			4½%	1943-47	$200,000		
			5%	1952	$350,000		

18 Mining Properties Participate in Revival Of Old B. C. District

Gold Production of Area Within 40-mile Radius of Nelson Expected to Reach $2 Millions This Year — Ore Reserves Are Uncertain

By WILFRID SANDERS
Mining Editor, The Financial Post

NELSON, B.C.—Within a radius of 40 miles south of this veteran mining town, once thought to have possibilities as a small placer gold area, there are today some 18 active mining properties, employing about 800 men. Gold production in the area this year is expected to total over $2 millions.

Activities south of Nelson are centred on the Sheep Creek and Ymir gold camps, mines and mills clinging to the sides of the mountains which form the valley for Salmo River.

As the crow flies, Ymir and Sheep Creek are about nine miles apart. As the Salmo meanders, the distance is twice as far, by excellent road.

In both these camps can be seen the scars of those twin mining bogies, insufficient finances, and premature mills. Even today many of the mines in this field have, or are planning mills, with an ore reserve margin which appears dangerously slim. One reason for this is, of course, over enthusiasm, but the major reason is that diamond drilling is, generally speaking, impractical in the area, owing to the nature of the geology.

No Indicated Ore

Thus a mine has to block out ore before estimating reserves, and the "indicated ore" classification of other camps is virtually non-existent. Another problem which every mine in the camps has had is that of faulting. Veins are badly cut off by displacement of rock, entailing often a costly effort to pick up the vein on the other side of the fault.

Despite all these hazards, and with an uneasy eye cast toward Washington and the price of gold, Sheep Creek and Ymir operators are pushing ahead with development in a manner which imparts a thriving atmosphere to the district, and taxes the facilities at Nelson to the utmost.

Of the producing mines, Reno Gold Mines at Sheep Creek is probably the best known, although of late by no means the most consistent market actor. Reno, which is treating its ore in the reconstructed Motherlode mill, is currently producing about $70,000 monthly, and is paying dividends at the rate of three cents per quarter. It is difficult to put one's finger on the exact reason for the market apathy of this stock, an apathy which cannot be totally accounted for by the current dubious position of gold prices generally.

One reason is a comparatively narrow margin of ore reserves, and a mounting cost ratio, due to the fact that the company is now having to do a considerable hoisting job with its millfeed, as opposed to the gravity method made possible by the sloping mountains.

The old superstition that the mines in this area will not go to depth, still heard in eastern Canada has been fairly well dissipated by geologists and mining engineers who appear to agree that there is no structural reason why these properties should not respond to deep development. Under the capable direction of W. S. Ellis, mine manager, Reno is now attacking a series of veins known to lie north of the motherlode. The mill is handling approximately 100 tons a day, the ore running around $22 per ton recovery. At the present time company officials estimate slightly more than a year's ore at .5 oz. gold in sight. In addition, The Financial Post was officially advised, the company has about $320,000 cash in the treasury over and above liabilities.

One of the bright spots in the Sheep Creek camp is Sheep Creek Gold Mines, whose fiscal year ends May 31. This property which started production in June, 1935, has had a very creditable record since, and started paying dividends in July, 1936. When the report for the 1936-1937 fiscal year is published, net profits, before depreciation and depletion, should be in the neighborhood of $245,000. In addition, the company will, The Post understands, show cash of $185,000 after paying during the year $150,000 in dividends, $55,000 on property, and $65,000 capital expenditures.

All current development work is being charged to current operations. It will be recalled that this property was virtually abandoned some years ago owing to disappointing results. After being financed by Vancouver interests, headed by A. E. Jukes & Co., development was continued for only six feet more along the tunnel, and high-grade ore was struck, and drifted on for some 300 feet, solving the faulting problem which had been the Waterloo of previous operators. The property is now equipped with a 150-ton cyanide mill, and monthly production is running as high as $80,000, judging from April results.

Adjoining Reno to the south is the property of Gold Belt Mining Co., another property financed by the Jukes group. During the past year, the chief objective of development at this property was to cut at depth veins which had been opened both on the surface and by the 200- and 600-ft. levels. After preliminary disappointment, work during the past few months has been more encouraging, what is known as the 6,000 vein having been followed for a distance of 579 feet, of which 387 feet is ore. This ore averages 0.62 ounces gold per ton across a width of 3.2 feet. The face is still in ore.

Boston Capital

Gold Belt is being financed by North American Mines Inc. of Boston, which were given an option to purchase one million shares at 20 cents a share, to be taken up at a minimum rate of 25,000 shares per month. Final installment will be taken up, it is expected, before July next. Negotiations are under way to increase the capitalization of the company to $1.5 millions by the creation of an additional one million shares, 50 cents par. North American Mines would then agree to purchase 200,000 of the new shares at 20 cents each net to the treasury, and would be given an option on 600,000 shares at 30 cents each net.

At the end of March, Gold Belt showed current assets of $22,813, of which $21,048 was in cash, against current liabilities of $6,434.

North of this group lies the property of Durango Mines, which is being financed by Dentonia Mines, and which, at the time is making plans for a 100-ton mill. Dentonia has a firm contract to purchase 1,650,000 shares at 10 cents per share. At the end of March 947,775 shares remained under this agreement. When the agreement is completed, 2.9 millions of the three million shares capitalization will be outstanding.

Officials declined to place an estimate on ore reserves at this property, but told the writer that indications to date were that the ore would run about .5 ozs. gold, 5.6 ozs. silver, between 7% and 12% lead, and about the same percentage in zinc per ton. Work to date has cut the major vein on three levels.

Kootenay Belle Gold Mines comprises the third producer in the Sheep Creek Camp. Vere McDowell, mine manager at this property, estimates sufficient ore for two years' operation for the 100-ton cyanide mill. This is in unbroken ground on "A" and "B" veins above the No. 2 and No. 3 levels. A series of veins enhances the outlook for this property, although future development work will be by shaft sinking from the new No. 4 level.

In the annual report just released, covering the fiscal year ended Feb. 29, a net profit of $29,909 from a gross production of $268,140 is shown.

North of the Sheep Creek camp is the Ymir (pronounced "Wiemur") camp. The two producing properties in this camp are the Wesko Mines Ltd., and Ymir Yankee Girl, which has been producing since January, 1935. At the present time the mill is handling about 100 tons daily, the recovery running about $10 per ton.

Wesko Mines, which has extensive property in the district, is centring operations of the Centre Star group, on which a flotation unit started last November and a cyanide unit on Jan. 1 of this year. The company, at the time of The Post's visit was shipping both concentrates from the flotation plant, and bullion from the cyanide unit.

This company is slowly relieving itself of a rather burdensome debt incurred to build the mill. Some 60% of net profits is allocated to paying off this debt, and the company expects to have it settled in about a year. Under the financing agreement, operating costs must be kept to $6 per ton, a figure which the company, on its present 100-ton per day basis, has been able to meet. In April, a gross output valued at $28,000 was obtained from ore which ran about .26 ozs. per ton gold; 2.8 ozs. silver, and 2.8% lead. Ore reserves are ahead of the mill by about a year, with depth development possibilities considered promising.

Ymir Consolidated Mines has suspended milling operations, and is developing and carrying out drilling operations. The Ymir Wilcox property is leased out to several small private groups. The Roanoke property was idle at the time of the writer's visit to the area.

In the Sheep Creek camp, the Salmo Malartic and Ontario incorporated company is carrying out development work.

TUNNELLING FOR GOLD

A glimpse of gold mining as it is carried out in the Nelson district of British Columbia is shown above. Harold Lakes, mine superintendent (centre), and Harry Stevens, mine manager (right), are standing in front of the entrance to the main tunnel at Wesko mine.

YMIR CAMP MILL

A view of the mill of Ymir Yankee Girl Gold Mine is shown above. The mine is one of two producers in the camp near Nelson, B.C., and its mill is handling 100 tons daily, the recovery running about $10 per ton.

Apex Gold Mines will be heard June 1 by the SEC, Washington, on its application for registration. Harry E. Miller, Vancouver, B.C., is president. Registration statement, says the notice of hearing, is effective but apparently deficient.

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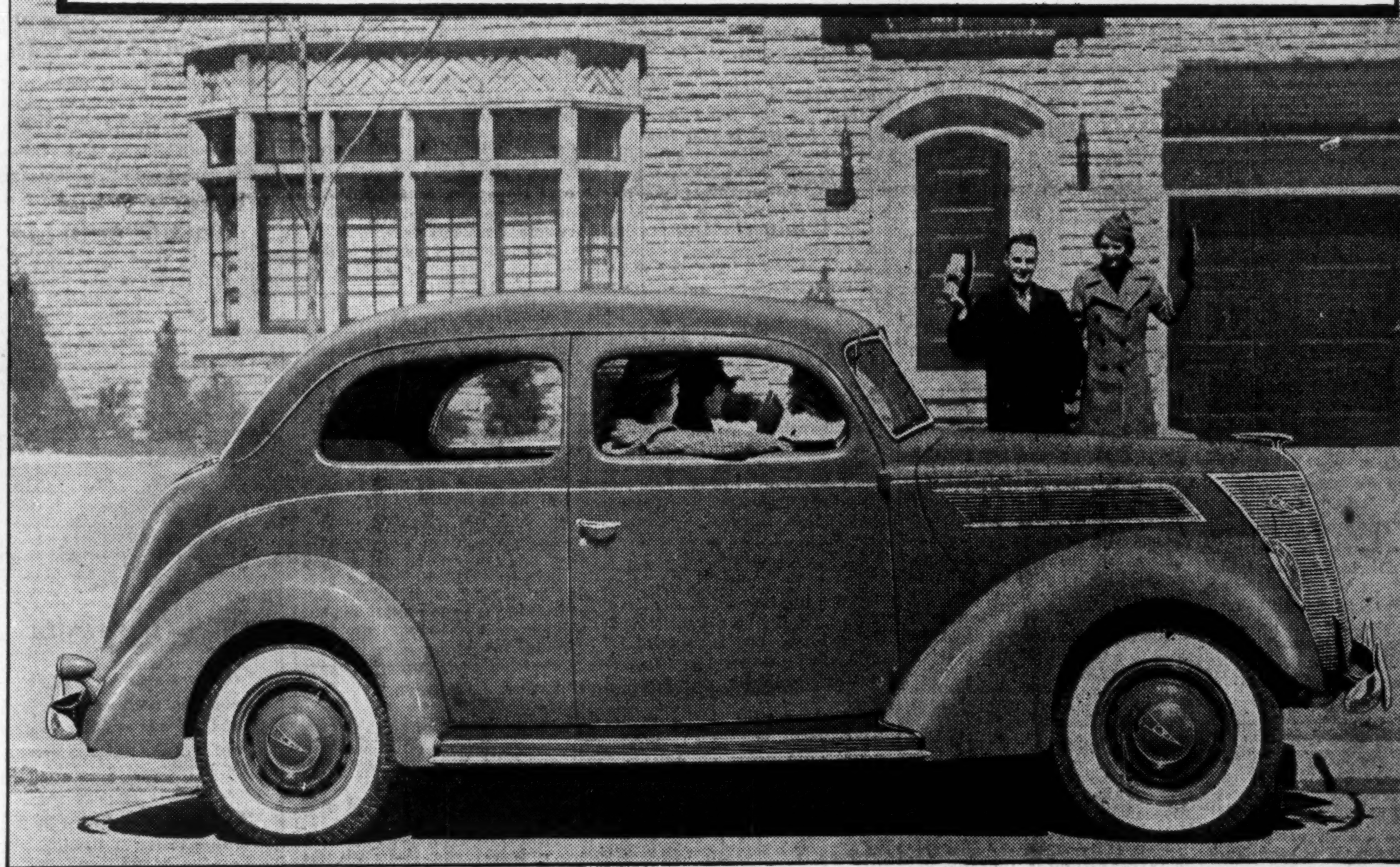

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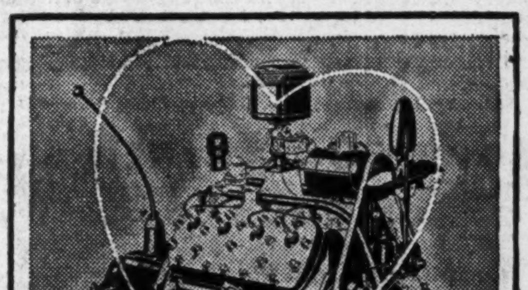

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Stock Market Prices Dallying in Neutral

Advisory Services Continue to Favor Investment in Common Shares — Inflationary Influences Remain Powerful

The stock market is temporarily out of gear, in neutral, as it were. There has not yet been definite indication that the period of liquidation has been terminated. Neither is there much indication that the rising price trend is to be resumed energetically at present. However, investment advisory services are uniformly optimistic for continuation of the long term improvement in business and in common stocks. Consequently, they suggest that common shares are more attractive for purchase than sale and that if prices again drop to the low levels recently recorded stocks would be in a definite buying range.

London commentators continue to favor investment in common shares, but there is a growing opinion that the limits of the British internal recovery have at least been approached. There have been boom conditions in building, and heavy industries are now being stimulated by the rearmament programme. High activity in building and heavy industries usually reaches a peak in the later stages of business recovery, and that is one reason for the belief that British economic recovery is close to completion, even though conditions of prosperity may prevail for some time. The belief of some important groups of British and European investors that recovery in the United States and Canada has lagged behind that in Britain may result in resumption of the flow of European money into North American stocks.

One of the characteristics of a period of inflation, such as that in France after the Great War, is periodic intervention to prevent the rise of prices from getting out of hand. Subsequently there is a let-down, and then regret that the inflationary prosperity has been interrupted. And inflationary forces are again allowed free rein. Perhaps that is the trend of things in the United States where the unbalanced budget and expanded credit position remain strongly inflationary.

Grain Shares

Partly because grain prices have improved sharply over a year ago, there is some tendency for investors to enquire into the prospects for improved earnings by western grain companies. Another reason for attention to such shares is that they are quoted at low figures.

The grain companies were able to maintain earnings fairly well in the depression, despite reduced grain-handling charges, due to the large volume of wheat in storage. Now the storage revenue has dwindled, hopes for increased earnings depend largely upon improved harvests in western Canada.

Volume of handlings rather than merely good wheat prices is the first need of western grain and elevator companies. For investment in greater prosperity for agriculture, shares of the farm implement companies may prove more satisfactory.

Dividend Tax

We are still waiting for the U.S. Senate to ratify the treaty reducing the American tax on dividends and interest paid to Canadians from 10% to 5%. The treaty, when ratified, is to be retroactive to cover 1936 payments of interest and dividends. If it is adopted, therefore, Canadian investors will have to make claims at Washington for half the 10% that has been deducted. It is understood that some U.S. corporations have yet turned into Washington the 10% they have been deducting from dividend cheques sent to Canadian investors. Hence if the treaty is adopted within the next two or three weeks, these companies would be able to adjust their returns to the U.S. government and pay back 5% promptly. In the case of bearer bonds, Canadian investors will have to make claims on the Government for their rebates. They will also have to claim for rebates of taxes on dividends if Washington does not speed up the treaty.

Coming Prosperity

Last week we reported the view of General Charles G. Dawes that there would be a crash of stock prices in 1939 but followed by a period of prosperity. On the General's opinion, Jesse H. Jones, chairman of the Reconstruction Finance Corp., Government lending organization, comments:

"I don't believe it. Conditions are good, and they will continue to be good for many years, because we have been on half rations for five or six years. We've got to catch up."

Dr. Marcus Nadler, professor of banking and finance at New York University, remarks:

"I doubt very much whether there will be another severe business slump in 1939 . . . Four important factors should make for sustained industrial activity. They are revival of building, rehabilitation of factory equipment, and public utility and railroad spending for plant improvement."

The optimists appear to be in the majority.

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Expected Break

Pointing to his published comments late last February, to the effect that some stocks are discounting good news which can't develop for at least two years, Col. F. H. Deacon of the Toronto Stock Exchange firm of that name, now comments:

"The expected break has come in the speculative market and we believe advantage should be taken of present prices."

Common stocks that Colonel Deacon suggests for income and possible appreciation in value are Imperial Oil, Ford of Canada, British American Oil, George Weston, Brazilian Traction, International Nickel and G. Tamblyn. For speculative purposes, he suggests McColl-Frontenac, C.P.R., Rogers-Majestic and Gypsum, Lime & Alabastine.

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Quebec Utilities

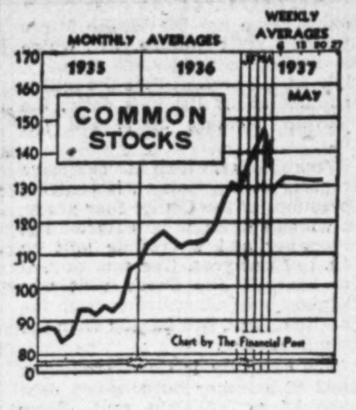
The stock market is taking seriously the adverse possibilities for Quebec utilities in political tendencies in the ancient French province. Montreal Stock Exchange index for utilities has only advanced about two points above this year's low of 74.8. The lag in Quebec utility stocks is apparent in that the index for utilities has risen only about 13% compared with an advance of more than 50% in Montreal industrials over the past 12 months.

The question of the future for Quebec public utility shares depends largely upon the type of regulation of industry. Moderate regulation might be a good thing in the long run. But regulation to make political capital out of power rates would probably be hard on utility shareholders. Since shares in service industries like utilities do not hold the possibilities of some industrial stocks for profits from present-day inflationary influences, it is hardly surprising that the investor is avoiding them.

Soo Line Affects Cut In Deficit During April

From Our Own Correspondent

MONTREAL.—April statement of Minneapolis, St. Paul & Sault Ste. Marie Railway, subsidiary of the Canadian Pacific, shows a moderate improvement over a year ago, but there was still a deficit of $420,152. This contrasts with a deficit of $530,-914 for April, 1936.



UNCHANGED

Common stock prices as measured by the Dominion Bureau average for industrial shares showed no change in the week ended May 20. Comparative figures appear on this page.

Maritime 'Phone Traffic Records Sharp April Gain

From Our Own Correspondent

MONTREAL.—Long distance toll traffic on the Maritime Telegraph and Telephone system during April amounted to 115,388 completed calls, a substantial improvement over the corresponding month last year. For the first four months of 1937 toll traffic shows an increase of 8.6% over the same period last year.

The Island Telephone Co., a subsidiary, reported further increase in toll traffic during April and a gain for the year to date of 7.5% as compared with 1936.

Maritime Telephone had 39,774 stations in operation at the end of April, a net gain of 170 during the month. The Island Telephone Co., with 4,211 stations, reported a gain of 21 over those reported at the end of March.

Investment Notes

Sulphite Pulp—Bleached sulphite spot market prices are beginning to reflect the shortage of this commodity, according to a review issued by R. O. Sweezey & Co. For the past week, prices for immediate and future deliveries have ranged between $90 and $100 a ton for fine quality bleached, delivered at New York, and there are no signs of any supply of bleached pulp being available at any lower price.

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Canada & Dominion Sugar—The company paid an extra dividend of $1 a share on May 15 to shareholders of record May 5, but did not make a public announcement of the payment. The regular dividends of 37½ cents quarterly, or $1.50 annually, are also being paid. The extra is the same amount as paid in May, 1936.

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Bearer warrants for shares of International Petroleum Co., Imperial Oil, British American Oil, and a few other public companies, continue to give trouble in cases where shareholders sell their holdings before the dividend payment date. Shareholders continue under the illusion that they can sell after the ex-dividend date set by the companies and retain their dividends. Stock exchange dealings are made in bearer warrants carrying dividend coupons, and the dividend must accompany the stock up to the date of payment. The seller must make delivery in the form of bearer warrants, and must deliver the dividend coupons with the stock up to the date of payment. We do not see why the system of bearer warrants is not discontinued.

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Brazilian Traction—Comment by "Magpie" in the Stock Exchange Gazette, London, is that Brazilian shares should receive more attention now that the British stock market slump has developed into comparatively settled trading. A significant remark is that the shares are immune from the new British "excess profits tax" which suggests a forthcoming scheme for British funds to flow abroad to evade the new levy. Apart from Brazilian, the new tax may tend to strengthen prices of other securities in Canadian markets.

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Beauharnois — Despite repeated rumor, there is no indication of a new contract with the Ontario Hydro, and investors are taking a risk in anticipating such a favorable development.

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Associated Breweries of Canada—An improvement of 15% in total sales for the first three months of 1937 compared with the corresponding period of 1936 is reported for the company. An increased profit per unit of production is indicated and sales in Canada and United States improved on practically the same ratio.

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Walker-G. & W.—The best "inside" opinion is that earning at an annual rate of $8 and paying $2 a share, the stock is highly attractive at present levels. An investment trust man, however, comments that he thinks the American spirits business is becoming overexpanded and he therefore does not favor the shares. So there is the choice for the investor.

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Canadian Hydro—First preferred stock has shown a considerable degree of strength in the recent dull market. Prospects of the company's operating subsidiary are better and while dividends are remote, current earnings would appear to justify the market price. We hear there has been some investment trust buying of the shares.

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Niagara Wire—Record newsprint production means record demand for the products of Niagara Wire Weaving. The stock is currently selling around 41 and pays a dividend of $2 a share.

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Bathurst — After giving the A shares a boost last fall and during the early months of this year, interest has lagged and the stock has dropped back to nine. The company has a strong financial position but so far has failed to show anything in the way of substantial earnings.

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Fraser—This company's stock has been a highly volatile performer in recent weeks. The manner in which it has gone up and down might indicate that someone or a group were interested.

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Can. General Electric—Declaration of a second quarterly dividend of $1.50 a share by the company serves to confirm the annual dividend rate as $6 a share.

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Ford of Canada—Contrary to large purchases made by other U. S. investing firms this year, Wellington Fund disposed of its former holding of 1,000 shares of Ford in the first quarter of 1937.

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National Grocers — Earnings for the year ended March 31 amounted to $1.16 a share on the common, if allowance be made for only one year's preferred dividends. The trouble is that even after the forthcoming payment of $3.50 a share on arrears the preferred will still have claims for $28 a share in back dividends, so the earnings on the common are more arithmetical than actual for the present.

Paris Sells Bonds

Town of Paris has sold $6,080 of 3½% serial bonds, maturing June 15, 1938-47, to Isard, Robertson & Co., at a price of $100. The full amount of the issue was $10,000, but $3,920 were retained for sale to ratepayers of the town.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied prod. 13	Beverages 7	Bldg. mater. 14	Indust. mines 2	Total industrials 68	Total utilities 19	Total co's. 96
1929-36:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	205.4	281.1	591.3	317.6	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	74.9	56.0	36.9	43.3
1937:												
Jan.	156.3	37.2	119.6	229.6	77.3	184.2	141.0	197.0	549.3	222.0	68.5	137.4
Feb.	163.4	36.7	120.7	235.2	78.5	188.2	139.3	203.5	586.7	228.8	73.1	142 4
Mar.	168.3	40.2	127.0	247.7	80.2	190.0	141 8	213.4	618.2	241.7	71.0	147.2
Apr.	157.5	47.1	117.4	230.4	79.9	182.4	133.4	204.8	538.9	224.1	64.1	136.2
Weekly Figures, 1937:												
May 6 ..	154.5	41.5	111.1	227.9	78.0	178.2	129.9	190.7	524.9	216.5	62.3	131.9
May 13 ..	151.4	37.1	110.6	229.6	77.9	179.6	127.8	189.3	518.4	215.3	62.4	131.5
May 20 ..	147.8	37.0	107.1	229.2	77.1	177.7	127.5	184.4	524.9	215.5	62.4	131.5

*High and low for years from 1929 to 1936 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
May 25	167.28	127.22	165.19
May 24	—Holiday—		
May 22	168.55	128.07	162.74
May 21	167.15	127.82	163.52
May 20	166.87	123.88	162.07
May 19	165.09	121.26	158.39
Month ago ..	169.25	134.35	169.03
Year ago ...	130.19	134.38	129.71
High, 1937 ..	187.67	168.59	215.36
Low, 1937 ...	157.82	119.22	151.03

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
May 25	77.1	107.2	97.2
May 24	—Holiday—		
May 22	77.0	107.2	97.2
May 21	77.0	107.2	97.2
May 20	76.8	107.4	97.2
May 19	75.5	104.3	94.7
Month ago ...	78.6	107.4	97.8
Year ago	68.5	71.2	70.3
High, 1937.....	92.5	122.2	109.5
Low, 1937 ...	74.8	100.3	92.3

Dryden Paper Earnings Gain

Returns for First Half of Year Show Marked Improvement

From Our Own Correspondent

MONTREAL.—Dryden Paper Co. reports a substantial increase in profits for the first six months of the current fiscal year as compared with the same period a year ago.

Gross profits amounted to $110,635 for the six months ended March 31, 1937, as against $54,467 in the first half of the last fiscal year. Bond interest absorbed $41,640, leaving a net profit of $68,995 before depreciation. This compares with a net profit of $7,787 in the first half of the 1936 fiscal year.

Share Earnings Likely

During the year ended September 30 last, Dryden Paper reported a total income of $182,262 and net profit, before depreciation and income taxes, $34,243. If the present trend of earnings is maintained, the company will be able to cover interest, depreciation, with something over for the common stock, of which 150,000 shares are outstanding.

The comparative official figures released by the company are as follows:

Six Months Ended March 31

Total gross profits (a)	$110,635	$54,467
Interest on bonds	41,640	42,680
Net profit (b)	$68,995	$11,787

(a) Including income from investments.
(b) Before dep.

Loss for Year Reported By Ritchie Cut Stone Co.

Ritchie Cut-Stone Co., and its subsidiary, La Salle Stone and Marble Co., had a consolidated net loss of $34,662 before depreciation in the year ended March 31, 1937. After providing $23,299 for depreciation and taking in investment income of $3,284, total loss for the year was $54,677.

The balance sheet shows working capital to have increased from $156,-424 to $170,760.

During the year the company's 7% cumulative preferred stock, par $100, was redeemed and new no par value preference stock issued. At March 31 last there were 27,160 shares of preference stock and 10,610 shares of common stock outstanding.

Metropolitan Building Refinancing in Effect

Court approval has been obtained for the refinancing of the Metropolitan Building Ltd., Toronto, and official notice of the redemption of the present 7% first mortgage bonds has been published. The present issue will be redeemed at 103 on July 15, 1937, at the principal office of the Bank of Nova Scotia, Toronto and Montreal.

The refunding issue consists of $750,000 of first mortgage serial bonds which have been sold at par. The new bonds consisted of $200,000 of 4¼% serial bonds, due 1938-42, $200,000 of 4½% serial bonds, due 1942-47 and $350,000 of 5% sinking fund bonds, due May 15, 1952.

Work at Red Lake

Vernon McKee and William de Villiers have been named by the Hammell interests to take charge of operations at the McIntyre Red Lake group of claims, adjoining Howey on the west and recently acquired by John E. Hammell. Work is to begin at once. Mr. Hammell is supplying capital wholly from personal funds.

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Revenue Over $2 Millions For Nova Scotia Light

Nova Scotia Light & Power Co. reports gross revenue in 1936 of nearly $2.1 millions, against less than $2 millions in 1935. Net profits available for dividends at $329,197, show an increase of nearly $100,000 compared with the preceding year.

The statement for last year is a general and not a consolidated one. The company and its seven wholly owned subsidiaries now supply approximately half the electric consumers of the province.

The balance sheet at the end of 1936 shows a number of changes. A bank loan of $500,000 has been eliminated. This is reflected in a reduction of $77,056 in investments and a decline of $313,680 in investment securities. As this is more than sufficient to cover the bank loan, cash on hand shows an increase of $533,-792.

Since the beginning of the current year all outstanding bonds of the company and its subsidiaries have been redeemed. They have been replaced by $7 million 4% 20-year bonds of the parent company, payable in Canadian funds, and also an additional 3,000 shares of preference stock.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Oper. income	1,989,855	1,928,677
Misc. income	75,994	31,404
Total revenue	2,065,849	1,960,081
Less: Oper. exps.	1,169,847	1,136,130
Taxes	203,024	197,151
Interest	210,233	241,650
Depreciation	150,000	150,000
Bond discount	3,548	3,386
Net profits	329,197	231,764
Add: Previous surplus	249,290	182,818
Net credits	19,742	18,381
Less: Preference divd.	102,000	75,000
Ordinary divd.	155,353	103,569
Final ord. divd.	......	78,000
Retirement reserve..	80,000	83,290
Surplus forward	260,875	249,290

Working Capital

	1936 $	1935 $
Current assets	1,064,587	723,220
Current liabilities	466,362	915,536
Working capital	598,225	*192,316

*Excess of liabilities.

Obituaries

Dudley Dawson, general manager of Dominion Bank since 1933, died suddenly of heart failure at Toronto. Age 57, Mr. Dawson was a vice-president of the Canadian Bankers Association, treasurer, Federation for Community Service, Toronto; a member of the Board of Governors, Trinity College School, Port Hope; director of St. John's Convalescent Hospital and of Dixon Hall.

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James Playfair, died at Midland, May 25, age 76. He was president and general manager, Great Lakes Transit Corp., Midland Simcoe Elevators; chairman of the board, Hamilton Bridge Co.; president of Consolidated Oka Sand and Gravel Co., Canadian Wirebound Boxes Ltd., Eastern Steel Products Ltd., Toronto Elevator Ltd., Eastern Canada Coastal Steamships Ltd., North American Elevators Ltd.; director of Canadian Oil Companies, W. D. Beath & Sons Ltd., International Paints (Canada) Ltd., Ontario Tobacco Plantations Ltd., Copland Flour Mills Ltd., Montreal Dry Docks, Ltd., Saint John Drydock and Shipbuilding Co.

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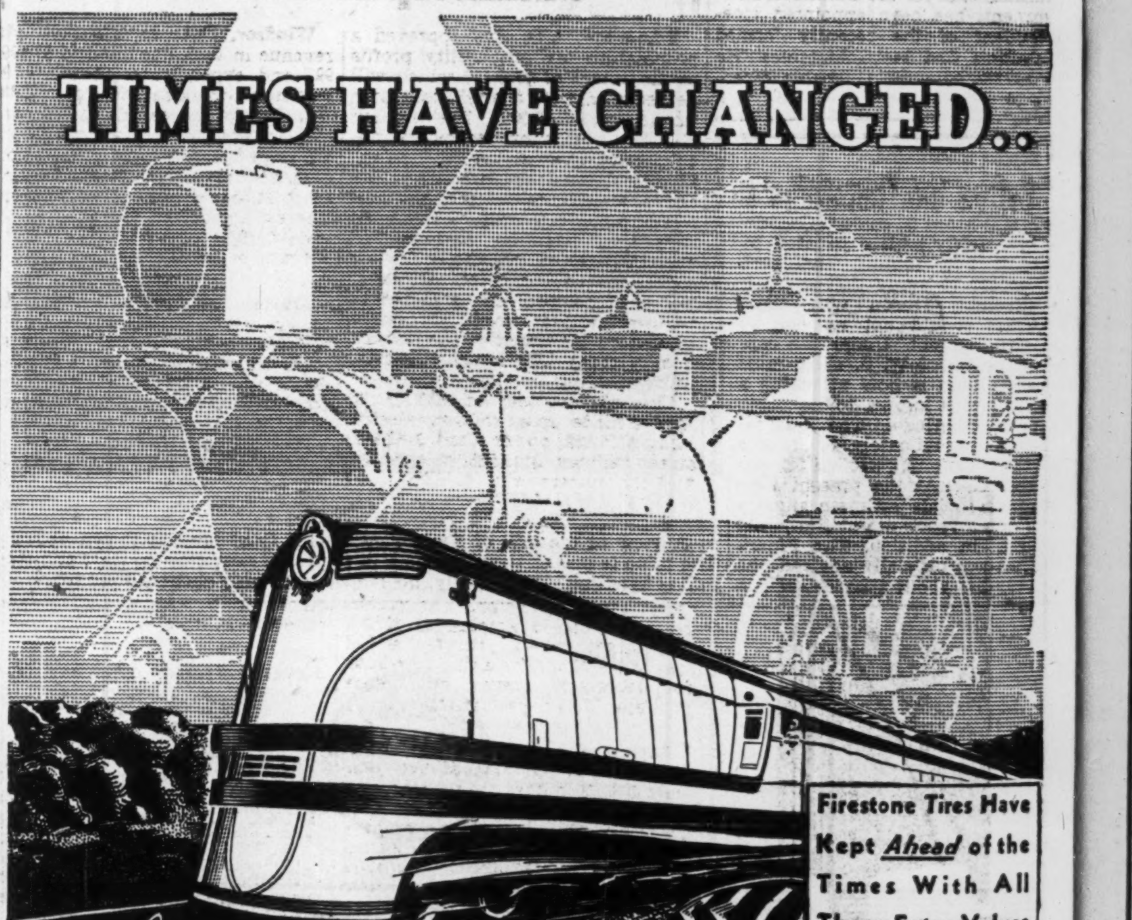

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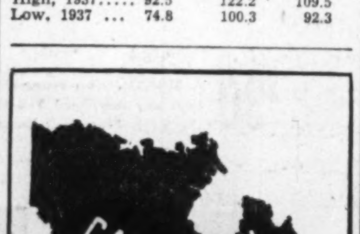

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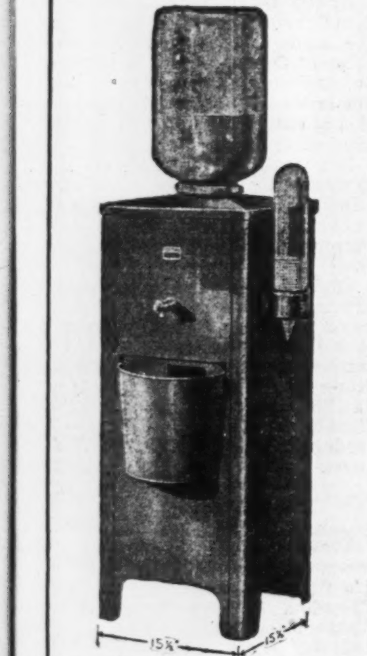

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Bond Markets

Bond Prices Advanced On Moderate Demand

New Brunswick Rejects Tender on $3 Millions Issue—Bondholders May Protest Interest Cut By Moose Jaw

A distinctly better sentiment has taken hold of the bond market and as a result prices are regaining some of the ground lost during the first three months of the year. In fact, The Financial Post index now stands at a higher level than at any time since late in February.

Increased investment demand has resulted in a greater volume of trading in high-grade government bonds. The increased demand results from an increase in the volume of funds seeking investment. Investment funds have been accumulating for several months partly because of the lack of new issues. Furthermore, some funds are now returning from the stock market to the bond market.

The market for western provincial bonds has been quiet, trading being of a selective character. Prices, however, have been firm

New Brunswick

Because competitive bids were not received, the New Brunswick Government rejected the tender which was received for its $3 million issue.

Hon. C. T. Richards, provincial treasurer, in making the announcement, stated that "instead of competing, the investment houses combined and made an offer which the Government felt on general principles should not be accepted."

It is true that two groups of investment houses did combine to make an offer for the issue, but this is not unusual. The last Quebec issue was sold in this manner. Furthermore, it should be pointed out that there are several other groups of investment houses which did not see fit to make any bid whatsoever.

Whether the Government intends to call for new tenders or to sell the loan privately is not known.

Moose Jaw Bonds

Institutional holders of Moose Jaw debentures have not definitely decided to protest the action of the Local Government Board of Saskatchewan in authorizing the city to pay only 60% of interest due July 1, 1937, to June 30, 1933, with the minimum payment set at 3%. In the meantime, preparations are being made to circularize debenture holders for proxies. A protest from holders of 20% of the outstanding debentures would compel the board to rescind its order.

The order of the board arises out of an application made by the city to the board asking a reduction in interest charges for a period of one year with a minimum rate of 2%. In hearings before the board, representatives of debenture holders stated that their investigations did not indicate that any reduction in interest was necessary. As an alternative, bondholders suggested an adjustment along the lines approved for Calgary and Edmonton.

What action is taken will probably depend upon British bondholders who have already indicated their opposition to the order of the local government board. A large part of Moose Jaw's debt is held in Great Britain.

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Not Justified

Among the Canadian holders of Moose Jaw debentures there is a difference of opinion as to whether the order should be protested. It is expected, however, that a protest will ultimately be made.

If the order of the board is permitted to stand, there will probably be a clamor from other Saskatchewan municipalities for similar treatment, even though it might not be justified.

Furthermore, the order endorses a principle which bondholders refused to concede in dealing with Edmonton, Calgary and Victoria, namely a reduction in interest charges. In view of the fact that bondholders have agreed to work out an adjustment for Moose Jaw which would relieve the current situation and reduce the tax burden, the order of the board does not appear to be justified.

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Bond Index

The trend of the high-grade market is indicated below:

The Financial Post Index of Average Price and Yield of High Grade Govt. Bonds

1937	Price $	Yield %	1936	Price $	Yield %
May 25	113.50	3.310	May 23	114.75	3.273
May 22	113.42	3.319	May 22	114.75	3.273
May 21	113.34	3.330	May 21	114.66	3.283
May 20	113.34	3.330	May 20	114.65	3.283
May 19	113.09	3.356	May 19	114.64	3.284
May 18	112.78	3.386	May 18	114.65	3.283
Year's	116.81	3.026	Year's	117.91	2.966
Range	111.60	3.505	Range	111.50	3.597

Municipal Finances

Edmonton, Alta., has approved a proposal to tax city utility profits to the extent of $630,115 which will be deducted from the 1937 estimated surplus of $1,105,000. The taxation plan has been approved by the finance committee of the city council as sound business practice. The committee points out that to show a true profit city utilities should be subject to taxation just as any privately-owned enterprise in the city. One advantage of the tax, it has been pointed out, is to reduce the amount that would be taxable by senior governments if they should decide at any time to tax municipal utility profits.

The total tax levy of $630,115 for 1937 is made up as follows: electric light, $135,822; power plant, $142,012; street railway, $119,568; telephones, $116,712; waterworks, $116,000.

• • •

Kitchener, Ont., reports that its electric light department had a surplus of $34,944 on 1936 operations after all charges including bond interest and depreciation. The gas department had a surplus of $2,437. The street railway showed a net loss of $1,039 after making provision for debenture interest but before provision for depreciation.

• • •

Regina, Sask., tax collections in the first four months of the year were $24,100 higher than in the corresponding period of 1936, amounting to $154,422. Sales of tax prepayment coupons also increased, amounting to $346,400, compared with $303,978 in the first four months of 1936.

• • •

Brampton, Ont., has struck its tax rate for 1937 at 36 mills. The actual rate, however, will be 35 mills since the budget does not take into account the one-mill subsidy granted by the Ontario Government. In 1936 the tax rate was 37½ mills. The 35 mill rate for the current year is the lowest since 1929.

• • •

Hull, Que., due to heavy outlay for direct relief, had a deficit of $17,902 in the year ended April 30. Gross revenue for the year amounted to $738,082 and expenditures totalled $750,082. Mayor A. Moussette, in commenting upon the results for the year, pointed out that there was very definite improvement over 1935 and expressed confidence that 1937-38 will see a balanced civic budget.

• • •

Kitchener, Ont., reports that revenue receipts to the end of April were $16,570 higher than in the first four months of 1936. The increase is accounted for in part by a higher tax rate.

Total receipts for the period amount to $378,766. The biggest item in this total is current and prepaid taxes of $290,687. Collections of arrears of taxes total $65,167.

Current expenditures in the first four months were lower than in the same period of 1935, amounting to $396,879 as compared with $413,539 last year.

• • •

Brantford, Ont., tax collections in 1937 to May 14 were $34,682 higher than in the corresponding period of 1936. Collections of current taxes in the period amounted to $470,340 as against $445,227 in the same period of 1936. Receipts of arrears of taxes totalled $111,503, compared with $101,934 last year.

Windsor, Ont., reports that total revenue in 1936 amounted to $7,409,997 and expenditures to $6,846,796, leaving an operating surplus of $563,201. Receipts exceeded estimates and expenditures were lower than provided for by the budget. Collections of current taxes and arrears amounted to $4,554,794, while penalties and interest aggregated $104,558. At the end of 1936 the city had a surplus account of $4,053,821.

• • •

London, Ont., will have to set aside its pay-as-you-go policy temporarily. Unforeseen expenditures necessitated by the damage done by the recent floods have left civic authorities no other alternative but to sell an issue of $150,000 of debentures.

• • •

St. Thomas, Ont., reports a slight increase in percentage collections of taxes. Collections on the current roll to the end of April amounted to 52.2% of the levy, compared with 47.5% in the same period of 1936. Total collections, including arrears, amounted to 58.2% of the levy, compared with 54.5% last year.

Trans-Canada Shares Dividend Is 31.4 Cents

A dividend of 31.4 cents a share will be paid on June to Trans-Canada shareholders of record May 15, and is for the six months ended May 15, 1937. This compares with a dividend of 23.32 cents a share paid June 1, 1936.

Trans-Canada Shares are proportionate units in a fixed investment trust holding common shares of 15 representative Canadian companies. Shares are distributed by Trans-Canada Investment Corp., Vancouver. The present offering price is $14.35 a share, after deduction of the current dividend.

Lieut.-Col. J. E. McKenna

Raymond Allan

Grant Johnston

D. S. Yuille

J. D. Herdt

P. E. Ostiguy

MONTREAL OFFICIALS

Elections of officials for 1937-38 by the Montreal Stock Exchange and Montreal Curb Market were as follows:

Montreal Stock Exchange—Lieut.-Col. J. E. McKenna, chairman; Grant Johnston, vice-chairman; J. D. Herdt, secretary-treasurer.

Montreal Curb Market—Raymond Allan, chairman; D. S. Yuille, vice-chairman; Paul E. Ostiguy, secretary-treasurer.

Earnings Are Higher For Commercial Alcohols

Commercial Alcohols Ltd. reports a net operating profit in the year ended March 31, 1937, of $59,068. This contrasts with $35,942 in the previous year. After tax provision, there was a net profit of $34,009, or more than double that reported in the 1936 fiscal year. The balance was equivalent to 13.6% on the 8%, $5 par preferred shares and to 13 cents a share on the common stock.

The balance sheet as at March 31, 1937, shows a reduction in bank loans of $20,015 to $10,078. During the year outstanding common stock increased from 100,000 to 108,500 shares, as a result of the conversion of the balance of the bonds into common. The deficit now stands at $19,598, as against $53,680 a year ago. Among the assets, the principal change is an increase in inventory from $73,300 to $104,322.

On March 15 last, shareholders approved a reorganization plan providing for an addition of $60,000 in working capital for expansion in the company's manufacturing facilities. Contracts for additions totalling $45,000 have already been let.

Income and Surplus Account
Years Ended March 31

	1937 $	1936 $
Operating profit	59,068	35,942
Less: Depreciation ...	17,749	17,850
Tax reserve	7,309	2,866
Surplus	34,009	15,226
Working Capital		
Current assets	130,794	113,749
Current liabilities	55,713	78,741
Working capital	75,081	35,008

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Can. Paper, A ..	6%	1945	June 4	103½
Avon River Pr. D.	5%	1964	July 1	103
Can. Steamships	5%	1943	Aug. 15	105
Mar. T. & T., A	5%	1956	July 1	104
Simpson, Robt...	5%	1952	July 1	105
H. Walker-G. & W. conv. debs. ...	§4½%	1945	June 1	104
Tooke Bros.	*7%	1942	June 1	107
Mont Louis Seigniory	6%	1944	June 1	100
Aluminium	5%	1948	July 1	105
Asbestos Corp. ..	6%	1941	July 1	100
Do.	3-3½	1937-8-9	July 1	..
Cred. Fon. Franco Can. ..	4½%	1956	July 1	100
Metropolitan Bldg.	7%	1944	July 15	103

For sinking fund:
§$1,250,000; any of the debentures thus called may be converted into common stock of Hiram Walker-Gooderham & Worts Ltd prior to June 1, 1937 at $45 per share.
*For sinking fund purposes.

Stock Issues:

	Rate	Year	Date	Price
Can. For. Invest.	†8%	pref.	July 1	105

†$100,000.

Religious Issues:

	Rate	Year	Date	Price
Soeurs du Sacré Coeur, Ottawa .	4½%	1937	June 1	101
La Congrég. de Saint Dom. du Tiers-Ordre Enseignant. Valleyfield	5%	1937	June 1	100
Soeurs Grises de la Croix, Ottawa .	5%	1937	June 2	102
Collège Notre Dame, Côte des Neiges	4½%	1937	June 1	101
Fabrique Saint Vital, Montréal-Nord	5%	1937	June 1	101
Soeurs Sainte Marthe	5%	1937	June 1	100
Soeurs de Charité d'Halifax	6½%	1937	July 1	105
R. C. Bishop St. John	5%	1939	July 1	101

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Loblaw Sales At New Peak

Profits of $1.30 a Share Indicated For 1936-37

Loblaw Groceterias Co. will earn about $1.30 a share in the current fiscal year which ends May 31. The Financial Post estimates. Profits in the year ended May 31, 1936, were equivalent to $1.11 a share.

The increase in profits reflects steady expansion in sales during the current year. Sales in the 44 weeks ended May 1 increased by $2.5 millions to $17.5 millions, an increase of 17.24%. Profits for the period increased by $129,038 to $880,898, an increase of 17.16%.

As was the case last year profits in the final period will show a larger increase than in other periods. The final period includes special profits which are figured on an annual basis. Included this year will be $24,148 of preferred dividends received from Loblaw Groceterias Inc.

Profits in the final period of the 1935-36 fiscal year amounted to $332,494. Thus, profits in the current year before income tax provision should amount to over $1,250,000, compared with $1,084,354 last year.

Record sales of $19 millions in the current year seem assured. The previous peak was $18.4 millions in the year ended May 31, 1930.

Comparative figures of sales and profits for the period ended May 1 are given below:

Sales and Profits

	1937 $	1936 $	Incr. %
Four weeks Ended May 1:			
Sales	1,599,520	1,331,877	20.10
Profits	76,124	62,703	21.40
Twelve Periods Ended May 1:			
Sales	17,571,786	14,988,115	17.24
Profits	880,898	751,860	17.16

G. H. Woods & Co. Branch Established at Vancouver

Expansion of operations by G. H. Wood and Co., manufacturers of liquid soaps and sanitary products, is being projected into the British Columbia area with establishment of a branch at Vancouver. The company has offices from coast to coast with main factories at Toronto and Montreal. A larger and more modern structure has replaced the head office plant damaged by fire last year.

Operations of the new British Columbia division will be under the direction of Clare E. Foran, formerly stationed at Montreal.

Oppose Code Covering Building Maintenance

Exemption of building maintenance staffs from the collective labor agreement recently concluded between workers and employers in the Montreal district construction industry will be sought by the Quebec division and Montreal branch of the Canadian Manufacturers' Association.

A test case is probable if action is brought against the Building Owners and Managers Association of Montreal, the Building Owners and Hotel Association or other organization to enforce the agreement against building maintenance men, it was indicated. The test case would determine the liability of

National Grocers Profits Higher

National Grocers Co., Toronto, reports net profits in the year ended March 31, 1937, equal to $18.63 a share on the 7% preference stock. This compares with $14.46 a share in the preceding year. After provision for the full year's dividends on the preference stock, a balance of $1.16 was available for the common in the past fiscal period against 74 cents a share in the year ended March 31, 1936.

The company has paid the regular $7 a share dividend on its preference shares for the past two years and, in addition, has paid $3.50 on account of arrears in each year. Arrears, after the payment of $3.50 a share to be made June 1, 1937, will be reduced to $28 a share.

Funded debt has been reduced by $100,000, the serial maturity paid Oct. 1, 1936, and now amounts to $1,100,000.

Income and Surplus Account
Years Ended March 31

	1937 $	1936 $
Oper. profit	871,674	733,181
Less: Bank & other int. (net)	19,175	11,355
Depreciation	109,023	125,435
Bond interest	46,000	62,766
Prem. & disc. w/o ..	14,762	7,702
Prov. for taxes	132,467	96,891
Net profit	550,247	427,032
Less: Current pref. div.	206,724	206,724
Paid on pref. arrears	103,362	103,362
Surplus for year	240,161	116,946
Add: Prev. surplus ...	868,311	751,365
Surplus forward	1,108,472	868,311

Working Capital

	1937 $	1936 $
Current assets	5,118,055	4,206,074
Current liabilities	1,657,289	921,676
Working capital	3,460,766	3,284,398

Grouped Income Shares Distributes 18c a Share

A semi-annual distribution of 18 cents a share will be paid May 31, 1937, on Grouped Income Shares, series A. This payment is composed of 11.63 cents a share derived from regular and extra cash dividends and 6.37 cents a share from the sale of rights.

Total distributions on shares of this fixed investment trust amounted to 17 cents a share for 1936. Shares are sold by Grouped Income Distributors Ltd., Winnipeg.

Farm Land Values Higher

The average value of occupied farm land in Quebec amounted to $41 in 1935.

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Recent development of the No. 1 ore zone on this property has indicated a definite length of 1500 feet on surface and by drilling, with its full length still to be determined.

High average assays are being obtained in drilling to a depth of 500 feet over widths up to 50 feet on this zone.

In order to present an intelligent and clear picture of the increasing importance of this development, we have prepared a complete report including maps and values, which we shall be glad to forward to those seeking investment in a rapidly developing property where results are both consistent and encouraging.

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What is True Temperance?

The Brewing Industry is an old and honorable industry.

The oldest company book in existence is in the possession of Brewers' Hall, London—the record of the brewing industry in Britain, from 1418 to 1440 A.D.

The industry is, as it has been for many years, an industry for profit. It buys materials, it sells its products, gives employment, and has a capital investment which makes it a responsible industry.

Because the industry carries on a business for profit, agitators in certain communities try to make people believe that it has no social conscience at all—that its effect is to corrupt and debauch.

Yet true temperance is obviously the only sensible policy which the Brewing Industry conceivably could have!

We believe in moderation, which is true temperance! We urge that self-control brings greater good than external control.

We deplore intemperance, if only because it threatens the return of prohibitory laws, general or local.

We don't need another experiment in prohibition to prove that words in the statute book will not change the tastes and preferences of men.

The history of prohibition all over the world has proved the contrary. It has been shown again and again that the evils prohibition caused are greater than those it sought to correct, that its effects are the opposite of its intentions.

No believer in temperance wants to bring back *those* days, for to do so is to play into the hands of the bootlegger.

There are still minor abuses. No people were ever perfect.

But today the bootleggers have been driven back, and operate mainly in those areas where there is local option . . .

The hypocrisy of secret drinking, the furtiveness of drinking behind closed doors, has been checked . . .

Respect for law and order has generally been restored . . .

Youth is no longer faced with the temptation of illegal drinking — once considered the "smart thing" . . .

We must not go backward!

• *This advertisement is inserted by the Brewing Industry in the interest of a better public understanding of certain aspects of the problems of temperance and local option.*

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TORONTO, MAY 29, 1937

The Financial Post's Platform for Canada

1. *Balanced budgets.*
2. *Abolish politics in C. N. R.*
3. *Merit system in public service.*
4. *Freer foreign trade through Empire preferences and foreign treaties.*
5. *Stable tariffs for balanced development.*
6. *Stricter laws to protect investors.*
7. *An even break for Canadian national newspapers and periodicals.*
8. *A modernized constitution.*
9. *Integrity in meeting public obligations.*
10. *Wider markets for our farms.*

The Problems of the Provinces

THE Royal Commission, that is to deal with the financial problems of Confederation, has yet to be appointed. In the meantime, some very useful study of the difficulties that have arisen in connection with Dominion and provincial finance is proceeding.

Hon. Stuart S. Garson, K.C., the young and alert provincial treasurer of Manitoba, has already provided an analysis of the problem that is of the utmost value. A large part of his recent budget address was devoted to tracing the development of government in Canada and indicating clearly the degree to which the responsibilities of the provinces have broadened, without a commensurate advance in the sources of revenue from which they finance the carrying on of those responsibilities.

In the concluding remarks of his lengthy survey he makes this statement, which expresses the situation in much the same terms that The Financial Post has used on numerous occasions:

> "The great increase in the cost of provincial governments . . . is attributable not so much to extravagance . . . in carrying out of the ordinary functions of government, but rather to the growth of a new conception of the State's social responsibility, which has created . . . tremendous demands upon the treasuries of the provinces."

It is in making his recommendations for a correction of present inequalities in the situation that Mr. Garson shows more vision than most provincial governmental officials in Canada. He sees no remedy for the situation in turning over the income tax to the provinces. He suggests, as has The Post, that the remedy lies in a greater centralization of responsibility for certain governmental functions; that is to say, relieving the provinces of certain expenditures rather than in giving them new taxes to impose. Specifically, Mr. Garson would put social services and unemployment relief upon the Dominion Government.

Mr. Garson indicates that his province, in addition to making this suggestion, will propose to the Royal Commission that the provincial and municipal debt of Manitoba, as well as private debts, should be reconstituted at a lower rate of interest. This demand in itself is not an unreasonable one. The only unfairness in its adoption might arise in the application of the principle. Alberta took the wrong road—that of repudiation—to the achievement of lower interest rates and over a term of years Alberta will be the net loser from its action. Mr. Garson gives assurance that:

> "Pending the lapse of a reasonable time within which the Royal Commission may make its report, the Government purposes taking no arbitrary action in respect of the interest upon its public debt."

He also suggests that in any interest reduction plan, cognizance should be taken of the creditors' position as well as of the difficulties of the debtor.

If all of the provinces lay their case before the Royal Commission in similarly fair and reasonable fashion, its work will be greatly facilitated and a useful programme for the financial reconstitution of Canada should result.

Abitibi and the Investor

THE case of Abitibi Power & Paper Co. is one of some confusion for the investor. On one side is the claim that bondholders who have received no interest since Dec. 1, 1931, should foreclose. The claims of two classes of preferred stockholders are that they should receive satisfaction for the millions they have put into building the properties. Common stockholders believe the company will soon enjoy great prosperity and that they should be entitled to share in it. Finally, the situation is complicated by the need for more working capital to remove the enterprise from receivership.

For clarity of thought and action in the Abitibi affair, it is important to keep in mind the principles of fair dealing and good business that should govern the disposition of assets and equities. First of all, the claims of the various classes of securities should be settled in order of priority as follows:

1. Bondholders' claims totalling some $65 millions.
2. Claims of the 10,000 shares of 7% preferred stock.
3. Claims of 348,818 shares of 6% preferred stock.
4. Common shares numbering 1,088,117.

The bondholders have been more than patient and they should receive full satisfaction of their claims as early as possible. The shareholders should have an opportunity to settle the immediate claims of bondholders by raising funds to pay off all interest arrears—that is to say, to buy back their company from its creditors. If that is not done, bondholders are entitled to dictate the terms of reorganization under their blanket mortgage. If, for instance, new bonds prior to the present issue are created to raise new capital for the enterprise, and if other claims of bondholders are modified, it is only fair that bondholders should receive a substantial claim on new equity securities as compensation for their loss of priority. In that event, shareholders could only expect to receive equity securities for their claims.

Even supposing that the company is recognized under the aegis of bondholders, the priority of the 7% preferred stock should be recognized ahead of the 6% preferred, and the latter ahead of the common, in distributing new shares after the bondholders have been satisfied. In fact, unless the 7% preferred and the 6% preferred claims are met in full, the common is not entitled to anything except that it might be good policy to give them a small equity to avoid litigation.

If shareholders want to keep their claims intact, then, they should be prepared to raise the money to restore the bonds to good standing. If that were done, the company could be removed from receivership without necessarily reorganizing the whole capital structure. The 7% preferred would retain title to its full claims. So would the 6% preferred. And the common shares would still have their chance of sharing in the future prosperity that is forecast for the company. Something of that kind was done in the case of Price Bros. and Co. In the Abitibi situation, such financing through shareholder groups might provide the solution for what otherwise promises to be a long and costly controversy. It is a possible way out that should be explored before any reorganization plan, squeezing out the stockholders, is considered.

Is This What Lewis Stands For?

A MAN is known by the company he keeps. Chief journalistic supporter in Canada of John L. Lewis and his committee for Industrial Organization is Toronto's daily Communist paper.

One day last week, this paper published an article by George Dimitroff, general secretary of the Communist International. It presented a call for "militant, united action" by workers the world over.

On the next page appeared a picture of a group of Empire statesmen gathered for the Imperial Conference. The underline read:

> "Imperial Conference Group—A Pretty Pose of Plotters:
>
> "The group shown above includes such famous politicians and prelates as (left to right): Prime Minister Mackenzie King, the Earl of Athlone, the Archbishop of Canterbury, Viscount Hailsham, King George VI, and Mr. Stanley Baldwin. They are hoisting a bumper to the jolly old Empire. It has really been very good to THEM, so why not?"

So far C.I.O. has not disowned the support of The Daily Clarion. In fact, the Clarion is the chief journalistic spokesman for C.I.O. in Canada.

Is it any wonder that a good many people wonder about the nature of the aims and character of the C.I.O.?

Say It With Phrases

NOT long since Hon. J. L. Ilsley addressed the Canadian Club of Ottawa on the subject of historic phrases, many of which had a marked effect on the course of affairs. He recalled a considerable number, particularly from United States and British history: "Give me liberty or give me death"; "Government of the people, by the people, for the people"; "The cross of gold"; "Too proud to fight"; "Peace without victory"; "Peace with honour"; "Wait and see," and so on.

Mr. Ilsley had few to cite from Canadian history. The Conservatives, with such tags as "National Policy"; and "Canada First," have been more successful than the Liberals in winning elections by phrase-making. Mr. Ilsley recalled "King or Chaos" but made no effort to indicate whether or not that phrase had been a determining factor in the 1935 election.

One that Mr. Ilsley refrained from mentioning was "$25 a month for everyone" which Mr. Aberhart's forces overworked. Nor did he mention the devastating effect of the repetition of the word "annexation" in the 1911 Dominion election. Another phrase that has been used in more than one western provincial contest is "On-to-the-Bay." In Ontario, since 1934 much has been heard of the "power barons"—a phrase not originated by Mr. Hepburn but apparently used first by former Premier Henry.

Today this political world, as never before, is ruled by phrase-makers. We are experiencing government by epithet. The man who could make a catch-cry ring around the world would be king of the universe.

Union Responsibility

INDUSTRY in the United Kingdom is highly unionized. But there is one feature of British legislation regarding trades unions that differentiates the situation in that country from the situation in both the United States and Canada. That is the fact that in Great Britain there is a statutory responsibility upon trades unions to live up to their bargains and to promote labor peace.

The United States Chamber of Commerce and the National Association of Manufacturers have both been seeking amendments to the Wagner Act which would put upon labor leaders a responsibility, equal to that of industry, to keep to bargains that have been arrived at. At the present time, unfair practices such as coercion, intimidation, "guerilla" strikes, and failure to live up to agreements, are frowned upon when indulged in by employers but are considered just part of the game when practised by certain labor unions and their leaders, particularly C.I.O. and John L. Lewis.

Widespread unionization carries with it the implication of larger responsibility on the part of the unions. As the New York Herald Tribune puts it:

> "There can be no collective bargaining worth the name if the obligation to bargain in good faith is not as binding on labor as on the employer, if the right to strike is not restricted, if unfair practices, such as coercion and intimidation are not forbidden to both sides. The sit-down strike, clearly a weapon of intimidation, should be prohibited. There should be a strict regulation of union organization and administration to prevent 'rump' strikes."

Editorials in Brief

Justice Van Devanter, who has retired from the United States Supreme Court, has served his country on that bench for 26 years. Accepting his resignation, President Roosevelt expressed not a single word of gratitude, appreciation or praise for his services to the nation. But Mr. Roosevelt did extend to him "every good wish," which must be encouraging to a man of 78.

* * *

The late John Sage, at one time assistant manager of the Bank of America, New York, left $300,000 for the use of British soldiers and sailors who were blinded in the world war, it has just been disclosed by the probate of his will. He specified that the money should be left in the care of the Lord Provost of Glasgow for distribution to institutions. Mr. Sage was born in Inverness and was a relative of the famous millionaire philanthropist, Russell Sage.

Mr. Sage was a reader of The Financial Post for many years and was an occasional visitor to our offices in Canada. He was a distant cousin of Colonel J. B. Maclean, chairman of MacLean Publishing Company, Limited.

* * *

"How to Win Friends and Influence People," that amazing little book by Dale Carnegie that was recently summarized in a special article in The Financial Post, continues to break records for sales. It has now reached a sale of over 350,000 copies with no sign of letting up.

Mr. Carnegie himself, whose lecture instruction classes in New York are attended by scores of businessmen, is speaking in Toronto on June 2 and June 3. The trustees of Massey Hall have shown considerable foresight and progressiveness in engaging him for two lectures. No doubt many executives and sales managers will arrange for their salesmen, and other employees who contact the public, to hear Mr. Carnegie as he outlines the simple but effective principles of public relations that have made his book the best seller among non-fiction works.

* * *

Sports pages and fashion notes are a distinctly bourgeois phenomena, but Toronto's Communist daily newspaper finds space for both. Class consciousness and propaganda creep in. On the sports page it is reported that pin boys in Ann Arbor have gone on strike against the "terrorism" of the alley owners; the wrestlers of Japan are asking for higher wages; a Labor sports federation is being organized in Toronto.

The writer of the column "Women's World" advises her proletarian sisters not to forget accessories, which are important in the spring outfit. They can be obtained at the Junior League shop which sells the "castoffs of the upper four hundred." The suggestion is made that husbands and fathers might ask the boss for a raise to enable the womenfolk to buy better accessories.

Sayings of the Week

"No state ever was or is worthy of a free man's worship."—*Stanley Baldwin.*

* * *

"I am counting on the farmer to yank business out of its tailspin."—*Roger Babson.*

* * *

"Political liberty does not long survive the loss of economical freedom."—*Ogden L. Mills.*

* * *

"The United States is against meddling in the muddled affairs of Europe."—*James W. Gerard.*

* * *

"To reconcile law with justice and human progress is sometimes impossible." — *Clarence Darrow.*

* * *

"If we are to preserve democracy we must make the government the umpire of business."—*Herbert Hoover.*

* * *

"To provide security and enable people to save the economic system must be changed."—*J. S. Woodsworth, M.P.*

* * *

"This group (C. I. O.) is asking us to sit still while it sells our men the jobs that have always been free."—*Henry Ford.*

* * *

"People ought to be encouraged to make profits. They cannot employ people if they don't."—*Harry L. Hopkins.*

* * *

"If wage demands become too insistent confidence in private business may not extend rapidly enough."—*Sir Josiah Stamp.*

* * *

"The fabrication of war material has multiplied just as every other human activity since the World War."—*Lord Beaverbrook.*

* * *

"There are more Communists in Canada today than there were in the whole of Russia when the Communists seized power in 1917."—*Col. George Drew.*

* * *

"The one hope of peace in Europe is to drive a wedge between the workers of Germany and the rulers of Germany."—*James Maxton (British Labor member.)*

* * *

"Anti-Japanese sentiment in China is partly traceable to misunderstandings by the Chinese who suppose Japan harbors aggressive designs." —*Foreign Minister Sato.*

* * *

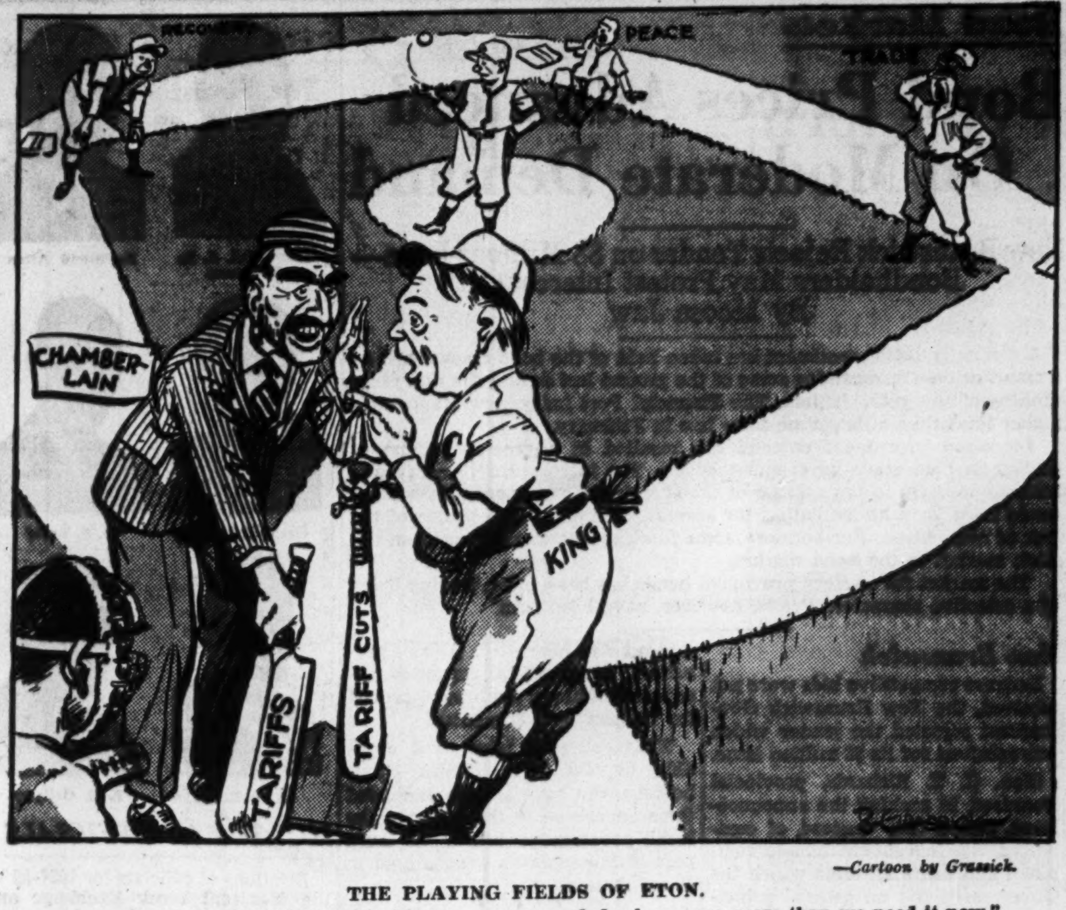
"This country is determined to do its part in restoring and expanding international commerce and thus in building the foundations of an enduring world peace."—*President Roosevelt.*

* * *

"No phase of rehabilitation is more vital than the restoration and expansion of foreign trade through re-establishment of fair and friendly and co-operative trade relations among nations." —*Cordell Hull.*

* * *

"Antiquated as may seem this philosophy I still believe that the road to maximum wealth and contentment is by the simple process of providing to every man and woman who wishes to earn the opportunity to do so."—*Sir Edward Beatty.*



—Cartoon by Grassick.

THE PLAYING FIELDS OF ETON.

MR. KING: "Maybe it isn't cricket but we never needed a home run more than we need it now."

Is Canada a Nation? . . .

By HISTORICUS
In the Fortnightly Review, London

In Canada's early days, when 19th-century liberal conceptions of the true rôle of government prevailed; when distances were great and much of the country's business centred around the corner store and the locally owned and operated factory, the influence of the courts on the development of Canadan federalism did not arouse much popular interest. But those days have gone. With the development of large-scale corporate enterprises, with the widespread acceptance of the doctrine that the State is responsible not merely for the safety but for the welfare of its citizens, there has developed, in Canada as in other countries, an increasing measure of government control over economic activities.

The depression accentuated this development. Reform became only less popular than Recovery, and reform often meant further schemes for government supervision of trade and business. "New Deals" in one form or another were presented to anxious electorates. In unitary states these "New Deals," once past the hurdle of legislative assent, had nothing to fear from the judiciary. In federal states, on the contrary, the consent of Parliament or Congress was subject to the decision of the courts on constitutionality. Australia and the United States have both been given cause recently to remember this fact.

Canada also has of late suffered, or enjoyed, the attentions of the judges, to whom the economic justification or the political and social necessity of a law means nothing. In their view, its constitutional relation to the terms of a written document produced in the "horse and buggy" days of long ago alone is of significance.

What is at Stake

The issues which were recently argued before the Privy Council concerned not the right of the Dominion to interfere with the profit-making activities of this or that provincial corporation, but the future well-being of every Canadian citizen. It is the recognition of this fact that has brought about widespread discussion in Canada of a question which was once reserved for the constitutional lawyer and the political scientist; the question whether an act passed to meet the conditions of 75 years ago and interpreted by a body of English judges in a way which, it can safely be said, would have created consternation in the minds of those who framed it, should not now be radically revised to prevent its becoming an obstacle to social progress and national development. For that is, fundamentally, the issue which the Privy Council decisions of January last have placed before the Canadian Parliament and people.

The legal points involved in these decisions may be left to the lawyers. They promise to provide them with a field of discussion for many a day. To a Canadian layman, however, who believes in sound social legislation on a national scale, the judgments are disheartening. Even more disheartening is the reasoning that accompanies those judgments.

Conditions of 1937

In the recent judgments there is no sympathy shown with the view that the provisions of the British North America Act of 1867 should, in the interests of essential national unity and progress, be related when legally possible to the conditions of 1937. On the other hand, their Lordships seem gravely concerned that what they refer to, with doubtful accuracy, as the "inter-provincial compact" of 1867 should be maintained in all its widest provincial implications.

To anyone concerned with national unity in Canada—and it is causing not a little concern these days—it is discouraging to note Lord Atkin's emphasis, in one of the recent decisions, on the fact that in Canada "local conditions may vary by as great a distance as separates the Atlantic from the Pacific." More perplexing still is his observation, in dealing with the Dominion's power to implement treaties, that "while the (Canadian) ship of state now sails on larger ventures and into foreign waters, she still retains the watertight compartments which are an essential part of her original structure." If his Lordship thinks that the 1867 model of the Canadian ship of state was ever intended to be divided into watertight compartments, his knowledge of Canada's early constitutional history would seem to be inadequate.

Intention of Confederation

The fact is that the original conception and the present position of Canadian federalism are poles apart. The intention of the Fathers of Confederation was made clear when the Dominion was formed in 1867. As in all federations, there had to be a distribution of legislative power between central and local governments. In making this distribution, however, it was the declared determination of the statesmen who formed the Canadian confederation that all questions of national or general importance should be left to the Federal Parliament, and that provincial jurisdiction should be limited to questions of merely local importance. The Quebec Resolutions which served as the foundation for the British North America Act are clear on this point. In fact, many of the statesmen of 1867 favored a legislative, not a federal, union. As this was impossible, it was generally agreed that in the ensuing federation the emphasis should be on unity rather than division; that the central government should be the real source of power.

The oft-quoted words of the chief architect of confederation, Sir John A. Macdonald, in the confederation debates in the Canadian Legislature, leaves no doubt on this point:

> "Ever since the American Union was formed," he said, "the difficulty of what is called 'State Rights' has existed, and this has had much to do in bringing on the present unhappy war in the United States. They commenced, in fact, at the wrong end. They declared by their constitution that each state was a sovereignty in itself, and that all the powers incident to a sovereignty belonged to each state, except those powers which, by the Constitution, were conferred upon the general government and Congress. Here we have adopted a *different system*. We have strengthened the general government. We have given the general legislature all the great subjects of legislation. We have conferred on them, not only specifically and in detail all the powers which are incident to sovereignty, but we have expressly declared that all subjects of general interest not distinctly and exclusively conferred upon the local governments and local legislatures, shall be conferred upon the general government and legislature. We have thus avoided that great source of weakness which has been the cause of the disruption of the United States."

Skelton's Views

Macdonald and the others knew what they wanted for Canada. But what Canada now possesses is something quite different. And the chief reason for this is the interpretation of her constitutional act by the courts, and especially by the Judicial Committee of the Privy Council, so that it now means something quite different from what its framers intended.

This was stated definitely enough by the Under-Secretary of State for External Affairs in his evidence before the 1935 Special Committee of the Canadian House of Commons on the British North America Act. Dr. Skelton said:

> "In the United States they began with a constitution which emphasized *state* rights, but under the guiding hand of John Marshall and his successors, it was gradually transformed in many particulars until the balance was decidedly shifted in favor of national rights: In Canada, under the guiding hands of Lord Watson and Lord Haldane, a constitution which in the mind and intent of the Fathers of Confederation was deliberately designed to profit by the mistakes of the United States, manifested in the struggles culminating in the Civil War, and to make the central government the predominent factor, the residuary legatee, has been interpreted in definitely the wrong direction."

As Others See Us . . . . .

$35 Gold Speeded Recovery
Quebec Chronicle-Telegraph

Reference was made in these columns a few days ago to a bank letter which argued that while continued good times appeared to be ahead of Great Britain and the United States, the prospects of Canada were, if anything, brighter still. And a recent article by Floyd S. Chalmers, editor of The Financial Post, shows a similar optimism with regard to the gold situation.

Holding the Balances True
North Shore Press, Vancouver

The course pursued by the great majority of the weekly newspapers in Alberta with reference to the policies of the Aberhart Government has called forth words of commendation by no less an authority than The Financial Post of Toronto.

The course pursued by the weekly newspapers of Alberta in this instance, calls forth from The Post an encomium upon weekly newspapers in general, which is very gratifying.

Unfair and Untrue
St. Catharines Standard

Thomas Church, fiery C.I.O. organizer, in a speech at Kirkland Lake recently made the following statement:

"I know dozens of miners who will never work again, victims of silica dust, who can draw nothing from the compensation board because 'their' doctors are the company's doctors. A miner's contribution to the compensation fund is based on the number of accident and injury cases it has, so you can see that a miner will get less justice from a company doctor."

What are the facts? It remained for The Financial Post to point them out. They are that silicosis cases are heard by a special Silicosis Referee Board, comprised of medical experts from the Workmen's Compensation Board of the province, men who have no connection whatsoever with the individual mining companies, and can have no possible bias, one way or the other. Company doctors have no say as to whether or not a man is entitled to silicosis compensation. His duty is simply to attend to the health of the employees.

The C. I. O. man must have known all about it, and his deception was deliberate, something he could get away with among the crowd by working up a sense of injustice among them. Deception is the favorite C. I. O. weapon, and that is why a great many people are convinced that Lewisism is nothing but a racket designed to exact a big toll from industry and the workers therein.

Country Editors
Bassano Recorder

During the past two years country editors have had to take some rough rides from those in power, simply because they did not see fit to advocate certain theories which they did not think were feasible. It is refreshing, therefore, to find that they are not despised and rejected of all men at least. Coming to their rescue is The Financial Post, which has pleasant things to say not only of the editors, but of weekly newspapers. We rather enjoyed reading this tribute.

Sane Country Weeklies
Durham Chronicle

In a recent issue The Financial Post carried an editorial in which it most eulogistically referred to the sanity of the weekly press. Editor Ford of the London Free Press, said at the last meeting of the weekly press at London that when he wanted to find out something about Ontario he turned to the weekly newspapers.

Rather flattering, it is true, but these opinions do not run parallel with the opinions of the weekly editors themselves, who said at this same London meeting that the weeklies of Canada were not giving enough leadership.

Perhaps all of them are right. Had they in every instance qualified their statements with "some weekly newspapers," they would have been nearer the mark. There are weekly newspapers which make an honest endeavor to interpret the thoughts of their community, and there are others which for weeks carry nothing of an editorial nature, and the few times this does occur, the editorials are as spineless as a fishworm. Following the line of least resistance they write in a vein that will suit the majority of their readers, and, when their thoughts are finished, it would take a Philadelphia lawyer to tell which side of the fence they are on.

No doubt the weekly newspapers appreciate the references of The Financial Post and Mr. Ford. Who doesn't like praise? There is a vast difference, however, between giving true leadership to a community, and tagging along in the trail of popular opinion, which is usually wrong.

Stop Me If You've Heard This One . .

An English dramatist was asked to check and correct some dialogue in a Hollywood film dealing with Queen Elizabeth and Mary Queen of Scots. He pointed out that to make Queen Elizabeth say, "Well, Mary, I guess I've got one up on you," was hardly the language of the period.

The producer altered it and proudly displayed the amended version, with the comment: "It's a hundred per cent Elizabethan now."

It read: "Well, Mary, I guess I've got one up on you, forsooth."

Post-Scripts

Figures Sometimes Lie

SINCE the merger of the Toronto exchanges, mining and industrial stocks have been quoted together. Care has to be taken to segregate those which are in the penny class from those in the dollar class, otherwise confusion is likely to result. For example: A new York firm looked down the list and saw Royalite selling in the "50's." An order was placed with a Montreal broker for 500 shares. After some difficulty the stock was secured. Great was the embarrassment of the New York house to discover that the shares were valued in dollars and not cents. Immediate liquidation was ordered. Fortunately there was no loss in principal involved, but the commission paid made it a costly lesson for the buyer.

Pleasure Deferred

THIS story may not have a moral, but it adds support to the old adage that anticipated pleasures are seldom realized. Nearly 40 years ago a young married woman in Montreal subscribed to the Illustrated London News. She had a family of four boys who kept her so busy that she had no time to peruse the magazine. However she put them carefully aside for the day her boys would leave home. Then she would have plenty of time for reading and doing the things she had to forego for the important business of raising a family.

For four decades all the great events in English history were faithfully recorded by the Illustrated London News. There were special issues for Queen Victoria's Jubilee and her death; the coronation and death of King Edward; highlights of King George's career and other notable events. Each issue was carefully preserved. The boys are now married, have their own homes and live in far away lands.

Today the mother has the time to enjoy her long cherished magazines, but her eyesight failed her last year.

Other People's Views . . . .

Taxing Industry
By Hon. Frank Carrel in Quebec Chronicle-Telegraph

We have no special brief for any particular industry but we do think that the pros and cons of the success of all industries should be carefully weighed before public opinion is influenced to condemn one or the other of our progressive industrial institutions.

The other day we saw the figures of the British Columbia Power Company, which showed that this utility corporation paid more in taxes than it did in dividends to its shareholders who make it possible to provide work for many thousands of British Columbians.

More than this, the $1,500,000 taxes which this company paid, no doubt, went toward the payment of unemployment relief.

How many of our workmen ever think of this side of the unfortunate utility companies whose administrators are too modest to educate public opinion to the fact that there are *two sides to every question.*

Economic Provincialism
Halifax Herald

An Ontario newspaper, the Fort Erie Times-Review, notes that in one of the eastern provinces "there is now a law on the statute books imposing special taxation on every company selling goods at retail in the province the majority of whose stock is owned outside the province."

It is a fair and reasonable attitude to protest against provincial legislation of that kind in this Dominion.

At the foundations of the Canadian Constitution is the provision for free trade as between all the provinces of Canada. That, as we have pointed out a number of times, does not necessarily stop with the question of customs tariff barriers or the absence of them.

It goes, in the judgment of this newspaper, to everything that may stimulate the free flow of trade as between the provinces, or, conversely, everything that may retard it.

Divided by the imaginary lines of provincial boundaries, Canada nevertheless is a Federal entity; and it is the constitutional right of the businessmen in the Maritimes to trade freely in Central Canada or the West, as it is the equal constitutional right of all other Canadians to trade within the Maritime Provinces.

Not an Appendage Yet
Niagara Falls Evening Review

Premier Hepburn deserves the support of all good Canadians in his fight to prevent domination of Canadian industry by the C.I.O. There is no reason why Canadian industry workers should be ruled from a foreign country. If such a move should succeed now, it is possible that, at a moment of crisis in Canada, to suit the wishes of interests across the line, a general strike, tying up and crippling Canadian industry would be ordered.

No one but a person ignorant of our status would suggest, as did Homer Martin, the U.S. Supreme Court decision on the Wagner Labor Relations Act is effective in Canada. It is to be hoped that someone will inform John L. Lewis and his aides that we have our own Supreme Court, and Canada has not yet become an appendage of the United States.

"Scofflaw Society"
Durham Chronicle

This newfangled idea of the C.I.O. comes about as near to being a recognized scofflaw society as anything we have seen. John L. Lewis, its head, has gathered a lot of agitators around him and has thrown out the threat that if he and his organization do not get everything they want they will close all the major plants in the country.

Any government in Canada that will oppose this organization is the workman's friend rather than his enemy. The printers' strike in Toronto some years ago is a fair sample of what these "sympathetic" strikes turn out to be. The Toronto members of the union went out in sympathy with a strike then on in the United States. The United States strike was settled, and the Canadian section was left holding the bag. Union printers in Toronto have not yet recovered from the shock and we predict the same thing from the present automobile argument. The Canadian workmen will finally lose out.

Business Repeating Last Year's Pattern

Upturn in Second Quarter Revealed — Crop Prospects Dominate Balance of Year — Cautious Buying Policy Urged

Despite the fact that April was a month in which labor disputes in Canada soared to the highest point since 1919, industrial activity made the first upward move since last October.

Reference to adjoining chart of The Financial Post business index shows that an almost identical pattern was followed during 1936 although at that time the level of business activity was almost over 10 per cent less than during the first quarter of 1937.

Whether 1937 will continue to follow the pattern of 1936 remains to be seen. If so, business in Canada could look forward to continued strength until midsummer, followed by a sharp upturn in the autumn.

• • • •

As pointed out in this column last week, most countries are currently speculating as to the probable length of the present recovery period. What happens in Canada will undoubtedly be governed to a considerable degree by general world conditions. However, in Canada the most dominant single factor in the recovery trend will undoubtedly be the sort of crop which western farmers harvest in the present season.

Last year the country showed amazing recovery despite a short crop but the "lift" was provided by a spectacular increase in commodity prices —especially for those raw materials such as wheat and other farm products, which mean so much to Canadian producers.

In view of the deflation which has recently occurred in commodity prices some improvement along that line might reasonably be expected during the balance of the year but there are no indications as yet that there will be anything like the sharp gains which featured the latter part of 1936.

The size of the Canadian crop will therefore be the major domestic consideration in determining the sum total of business activity for the remainder of the year.

• • • •

In regards to commodity price prospects the report of the business survey committee of the National Association of Purchasing Agents issued this week and covering conditions in Canada and United States is of interest. It reported that while prices of basic raw materials were showing a declining tendency, manufactured goods were maintaining their upward trend with higher prices a possibility. As to buying policy it expressed the following view:

"Buying policy should be governed greatly by the commodities involved and whether they are of the manufactured, semi-finished or raw-material type. Generally, it would not seem advisable to extend purchases beyond production requirements of the next two or three months but there are those who are of the opinion that despite the lull expected during the summer, prices on the whole will be firmer again next fall and winter. Weakness in stock and commodity markets, fear of further labor difficulties, governmental activities pertaining to the handling of gold in this country, and other uncertainties are still retarding factors. However, the consensus now is that a cautious buying policy is the best plan over the next 90 days, but that some commodities may soon again reach good buying levels."

Business Indicators

Automobile production on the basis of factory output for April shows a marked decrease compared with 1936 figures as a result of labor disputes, but there was an immediate resumption of the upward trend in production following settlement of the Oshawa strike.

Construction as shown by building permits in April is maintaining a rapid seasonal increase in volume, almost doubling the figures for the corresponding month of 1936. Contracts awarded show an even higher percentage increase over April, 1936.

Iron and steel activity continues at a high level with April totals of both pig iron production and steel ingots and castings considerably above 1936 levels and prospects pointing to sustained activity over the near term.

Employment indices for nearly all groups are higher with the sharpest gains recorded in manufacturing industries.

Newsprint production and exports continue to advance, April totals showing a relatively greater rise in export figures than in production levels, compared with last year.

Current trend is shown by The Financial Post's index of Canadian business activity contained in the following specially compiled statistics; new figures for the week being marked ▲.

WEEKLY DATA	Latest 1937	Latest 1936	Cumulative Total Jan. 1 to date 1937	Cumulative Total Jan. 1 to date 1936
Transportation—				
Car loadings (May 15)	▲46,902	45,141	699,523	813,002
C.N.R. gross earn. (May 14)	$ 3,823,482	$ 3,615,386	$ 70,053,706	$ 63,291,173
C.P.R. gross earn. (May 14)	$ 2,737,000	$ 2,693,000	$ 49,158,000	$ 45,112,000
Business Conditions—				
Weekly index D.B.S. (May 15)	▲108.0	106.0	......	......
MONTHLY DATA				
Business Conditions—				
Financial Post index (Apr.)	▲119.7	107.0	......	......
Transportation—				
C.P.R. net revenue (Mar.)	$ 1,738,164	$ 1,347,733	$ 3,642,413	$ 2,827,703
C.N.R. net revenue (Mar.)	$ 1,762,380	$ 941,533	$ 2,317,496	$ 76,741
Iron and Steel (April)—				
Pig iron production (tons)	▲68,138	54,045	267,510	226,141
Steel ingots and castings prod. (tons)	▲121,426	107,220	473,590	401,902
Automobiles (Number)—				
Passenger Cars:				
Domestic sales* (Mar.)	13,378	9,490	30,701	18,548
Factory output (Apr.)	▲12,927	20,247	61,664	56,849
Trucks and Buses:				
Domestic sales*	2,924	2,206	8,666	4,237
Factory output (Apr.)	▲4,154	4,704	19,608	12,693
Exports (Apr.)	▲5,753	3,740	22,603	22,558
Construction—				
Building permits (Apr.)	$ ▲6,098,036	$ 3,237,366	$ 16,568,165	$ 8,829,837
Contracts awarded (Apr.)	$ 24,426,000	$ 9,815,100	$ 55,835,700	$ 41,942,300
Newsprint (tons)—				
Production (Apr.)	298,347	258,721	1,162,680	952,145
Exports, tons (Apr.)	▲252,790	192,893	1,030,212	818,418
Sugar (lb.)—				
Melting & sales§ (raw)	50,257,619	50,095,059	127,777,586	114,520,555
Manufactured§	49,055,445	46,454,928	122,175,841	113,600,438
Flour (bbls.)—				
Production (Mar.)	1,098,544	1,171,741	3,106,868	3,172,746
Wheat flour exports (Apr.)	285,724	281,162	1,337,846	1,412,348
Trade—				
Retail trade (index no. of sales) (March)	75.9	71.8	......	......
Imports (April)	$ 58,000,000	$ 42,320,032	$ 229,537,118	$ 177,272,737
Exports (April)	$ 66,907,258	$ 57,964,176	$ 315,373,497	$ 260,088,149
Wheat exports (bus.) (Apr.)	3,617,803	6,572,364	23,517,460	41,517,038
Employment D.B.S. Index (Apr. 1)—				
All industries	103.0	97.4	......	......
Manufacturing	110.8	101.1	......	......
Electric Power Output (Mar.)—				
Total monthly m.k.h.†	2,412,259	2,135,640	6,876,743	6,165,115
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (April)	▲101,079	107,949	527,685	417,604
Boot & shoe prod., pr. (Mar.)	2,387,124	2,110,598	5,798,641	5,459,797
Crude petrol., imp. gal. (Mar.)	50,483,343	65,383,199	157,542,315	166,169,464
Cotton imports lb. (Mar.)	15,462,512	13,558,113	42,770,417	45,221,720
Raw rubber imp., lb. (Mar.)	5,851,745	4,052,065	12,354,403	12,246,613
Coal imports, tons (Mar.)	623,071	506,260	1,684,476	1,489,780
Cigarette cons. (Mar.) No.†	▲435,537	371,089	1,301,048	1,045,565
Finance—				
Bank debits (Apr.)†	$ ▲3,376,201	$ 2,773,756	$ 12,525,327	$ 11,130,084
Bond sales (April)	$ 46,331,500	$ 104,669,391	$ 435,482,731	$ 515,960,505
Life insurance (Apr.)	$ ▲32,919,000	$ 28,876,000	$ 123,220,000	$ 121,609,000
Automobile Financing (Mar.)—				
Used cars	$ 2,625,014	$ 1,770,044	$ 5,688,844	$ 3,747,176
New cars	$ 3,317,605	$ 2,192,004	$ 7,091,232	$ 4,348,527

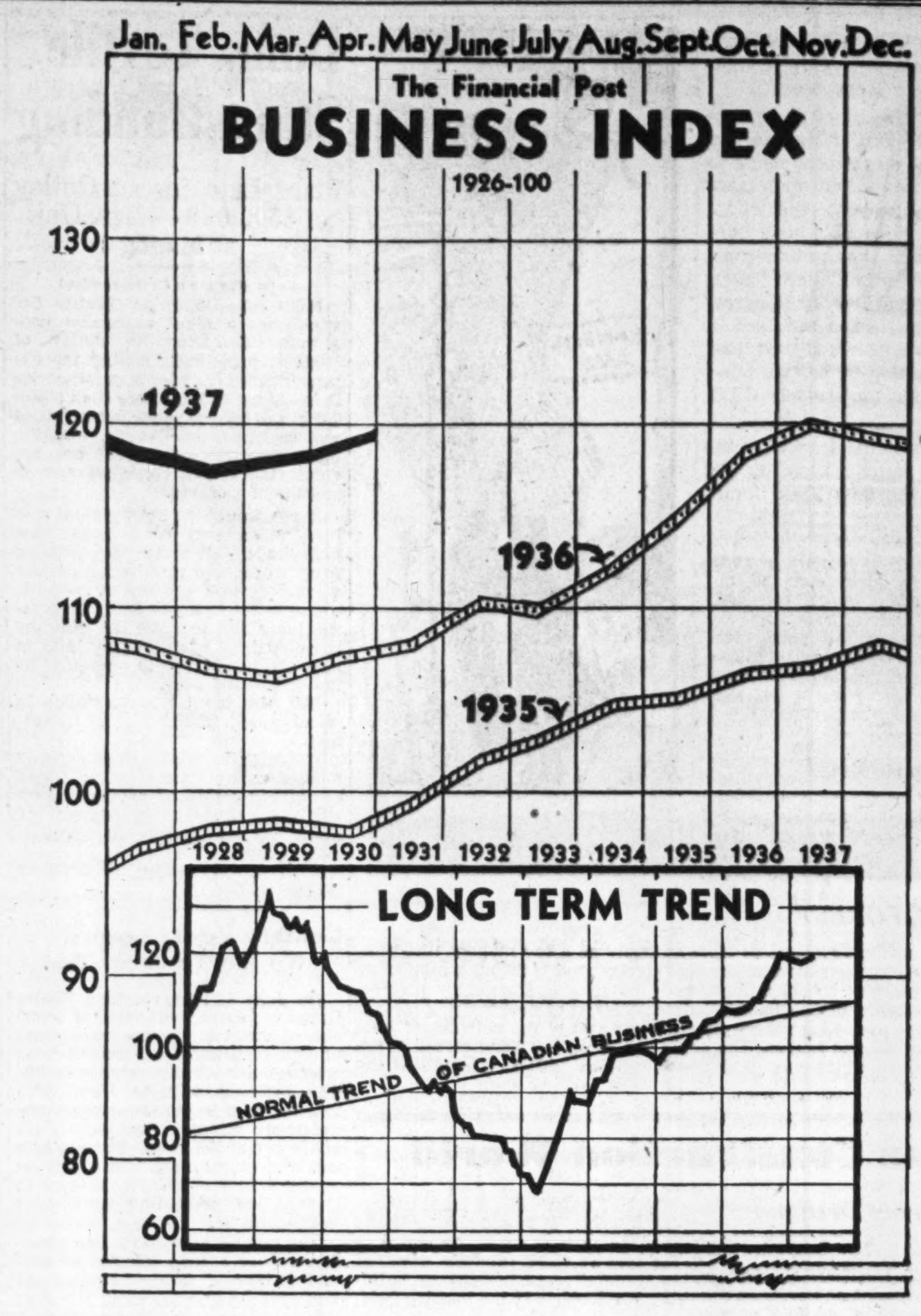
*D.B.S. All-Canada figure comprising over 90% of the Canadian total. †000's omitted. §For 4 weeks to Mar. 27.

Investments for Income

Favourable income returns are currently offered by securities of well-established public utility and industrial companies.

We shall be glad to submit suggestions on request.

Royal Securities Corporation
Limited
244 St. James Street, Montreal — 330 Bay Street, Toronto 2
Offices throughout Canada; also in New York and London.



BUSINESS AT NEW HIGH

Business operations in Canada which had shown insignificant fluctuation for four months recorded expansion in April. While the gain over March was slight, a new high point was reached on the present movement.

While base metal and gold stocks were heavily liquidated on the stock exchanges, actual movements of metal reached high levels, in some cases creating records for the month.

According to preliminary information, manufacturing operations also showed acceleration in May, the index of foodstuffs having been up about 10%. Forestry and steel operations were practically maintained.

The records of construction were favorable for the last two months and external trade in April indicates that the recovery is continuing.

MAJOR CANADIAN ECONOMIC FACTORS

		April, 1937	April, 1936	March, 1937	Increase or Decrease April, 1937-1936
The Financial Post business index		119.7	107.7	117.9	+11.1
Wholesale prices		86.1	72.2	85.5	+19.3
Common stock prices		136.2	115.9	147.2	+17.5
Inverted index of Dominion bond yields		136.6	143.9	137.6	—5.1
Bank deposits		120.0	111.2	118.5	+7.9
Bank debits		141.3	116.1	137.4	+21.7
Mineral production:					
Copper exports	cwt.	232,732	292,618	405,847	—20.5
Nickel exports	cwt.	131,533	109,665	242,026	+19.9
Zinc exports	cwt.	128,509	148,231	246,876	—13.3
Gold shipments	fine oz.	331,857	305,110	308,158	+8.8
Silver shipments	fine oz.	1,094,394	718,421	1,493,852	+52.3
Bauxite imports	cwt.	196,303	110,052	273,466	+78.4
Manufacturing production:					
Sugar manufactured	lb.	49,055,445	46,454,928	30,233,930	+5.6
Cattle slaughterings	No.	148,982	134,399	123,340	+10.9
Creamery butter production	lb.	14,906,936	14,367,335	9,458,183	+3.8
Cheese production	lb.	2,281,436	2,186,061	1,195,603	+4.4
Canned salmon exports	cwt.	41,243	20,112	54,683	+105.1
Newsprint production	tons	298,347	258,721	301,110	+15.3
Woodpulp exports	cwt.	1,211,357	884,379	1,639,667	+37.0
Exports of planks & boards	ft.	101,079,000	107,949,000	148,837,000	—6.4
Steel ingot production	tons	121,426	107,220	125,104	+13.2
Pig iron production	tons	68,138	54,045	70,986	+26.1
Automobile production	No.	17,081	24,951	24,901	—31.5
Cigarettes released for consump.,	No.	550,549,178	420,753,320	435,537,132	+30.8
Cigars released for consumption,	No.	10,181,166	8,804,058	9,920,511	+15.6
Construction: Contracts awarded	$	24,426,600	9,815,100	16,068,100	+148.9
Building permits	$	6,098,036	3,237,366	6,654,516	+88.4
Carloadings	No.	207,618	193,067	214,379	+7.5

Background of Business

Safety Device

Introduction of Ontario's new speed limit of 50 miles an hour on provincial highways this week calls attention to a proposed new highway safety device, the idea of Charles Hickman, president of the Ottawa Paint Works, Ltd., and noted by Canadian Paint and Varnish Magazine.

On the ground that one of the most prevalent hazards of highway travel is the speed necessary to overtake and pass cars going in the same direction, Mr. Hickman would place a special green light at the right-hand rear of every car in place of the extra red light now installed on many of the new cars. A car desiring to pass another and giving the usual warning horn blast would be answered by a flash of the green light on the car ahead, the signal being operated by the driver's pressure of a right-foot pedal. Since the driver ahead would have to lift his foot from the accelerator his speed would automatically decrease in giving the green "go" signal to the car behind. The latter would then be able to pass without having to travel several hundred yards on the wrong side of the highway.

• • •

Graded Employees

Shortages of skilled labor in various branches of business and industry are causing business to devote considerable thought to the problem of developing experts within their own organizations. Personnel in the low wage brackets can be trained by highly skilled workers within the organization but a haphazard policy in that direction seldom produces the best results and often encounters the human factor in which a skilled worker evinces little co-operation in training an unskilled man who may replace him at lower wages.

To overcome the problem the meter division of Westinghouse Electric has adopted a system of grading every unskilled and semi-skilled workman. The company's plant at Newark experienced a heavy demand for its products during the last year and the situation created a need for new help in almost every department.

To meet new conditions the grading system, reported in the current issue of Canadian Machinery, was instituted and gradings are reviewed twice a year. The grading system covers points which the company feels are most important to the individual and the company; cleanliness, orderliness, respect for property, equipment and materials, the habit of obedience, industry, ability to work, quality of work, versatility, and the ability to work safely.

A group of five persons in close contact with individual grades the employees. The five are the foreman, study man, inspector, production man and group leader. Grades are weighted, recorded and used as a basis of selecting prospects for promotion.

• • •

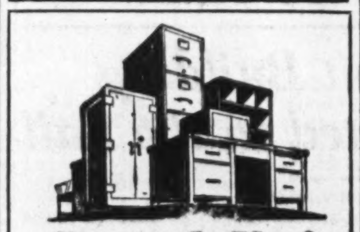
Transport Costs

Street cars are still the principal means of public transportation in Canadian cities, but whether they will be supplanted by buses and private automobiles is a question that has long exercised public transportation officials.

Meanwhile, one of the main factors in keeping tramway operating expenses down has been the use of one-man cars and feeder bus services for branch lines. George S. Gray, secretary of the Canadian Transit Association, who compiled the 1936 report on Canadian electric railway statistics, finds, however, that operating expenses per car mile which had decreased steadily for 15 years, turned upward in 1936, from 23.67 to 24.17 cents.

Passenger revenue per car mile also increased, as it has in each year since 1933, and in 1936 the spread between passenger revenue and operating expenses per car mile was still over eight cents. Investments in road and equipment rose from $40.5 millions in 1901 to a peak of $240.2 millions in 1930, but abandonment of interurban lines and substitution of motor bus services reduced the investment to $2.15 millions in 1936.

The trend seems clearly established toward the increased use of one-man street cars in urban centres and ultimate replacement of all interurban tram services by bus transport. Growth of branch line feeder bus services is also foreshadowed by the figures compiled by Mr. Gray.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Export Demand For Lumber Brisk

With the end of an exceptionally active late spring logging season, large numbers of seasonal workers have been released from all but the Pacific coast logging camps but export demand for Canadian lumber continues at a brisk pace.

Mill stocks of lumber are not particularly plentiful since much of the new cut was booked before the mills commenced manufacturing it into lumber and the result is that a number of the smaller mills which would otherwise have scant business on hand, are active this year. Pacific coast mills are deriving a substantial volume of business as a result of export business but exports have been hampered to some extent by the difficulty of obtaining adequate cargo space at economic rates.

Commodities

Commodity price levels in Canada show no disposition toward a major recovery trend from the decline that has continued during the last two months but individual price gains continue in livestock, wheat, silk, rubber and cotton. The general level of commodities shows little change, however, in the leading compilations of Canada, United States and Great Britain.

The speculative rise in commodity prices several months ago is not likely to be repeated for some time, if the comment of London and European bankers is an indication. More acute in Europe than in North America was the wave of excitement over commodity buying and the resulting losses among European speculators were larger than generally realized on this side of the Atlantic. The scramble for commodities in Europe at that time is compared only to the stock market atmosphere of Canada and the United States in 1928-1929.

Comparative prices for commodities in recent weeks are as follows:

PRICE RANGE

	Latest week	Previous week	Same week last yr.
Cattle	$8.50	$8.50	$6.25
Hogs	9.50	9.25	8.65
Copper, lb.	.14	.14	.09½
Cotton, lb.	.1334	.1326	.1174
Rubber, lb.	.2106	.2088	.1568
Sugar, raw, lb.	.0337	.0338	.0372
Silk, lb.	2.09	2.09	1.47
Wheat Man. (bu.)	1.33¾	1.30⅝	.75¼
Coffee, lb.	.09⅜	.09⅜	.07⅛
Hides	.15	.15	.10¾

Weekly Indices

	Latest week	Previous week	Same week last yr.
N. Y. Annalist	144.4	142.2	120.0
Fishers'	93.5	92.7	80.5
N. Y. Journal of Comm.	91.8	90.7	78.6
Crumps (Brit.)	84.5	84.2	68.2
U. S. Labor	86.9	87.3	78.1
Canada (D.B.S.)	84.7	85.2	71.9

Monthly Indices

	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (Apr.)	82.2	82.0	79.6
W'sale (Apr.)	86.1	85.5	72.2
United States (Apr.)	144.4	143.5	123.8
Gt. Brit. (Feb.)	91.0	90.1	80.3

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1929 = 100 base. U. S. is Annalist 1913 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price, Toronto: Copper-electrolytic, New York: Silk—Japanese, 13-15, New York: Sugar — 96 degrees centrifugal c/f New York: Wheat — No. 1 Man. North. Ft. W.-Pt. A. Basis: Hides—No. 1 packer light native cows: Hogs—select bacons, Toronto.

SECURITIES SHOULD BE SUPERVISED

In a period of frequent fluctuations it is necessary for the investor to have supervision of his list of holdings. Suggestions for investment are available through any of our branches.

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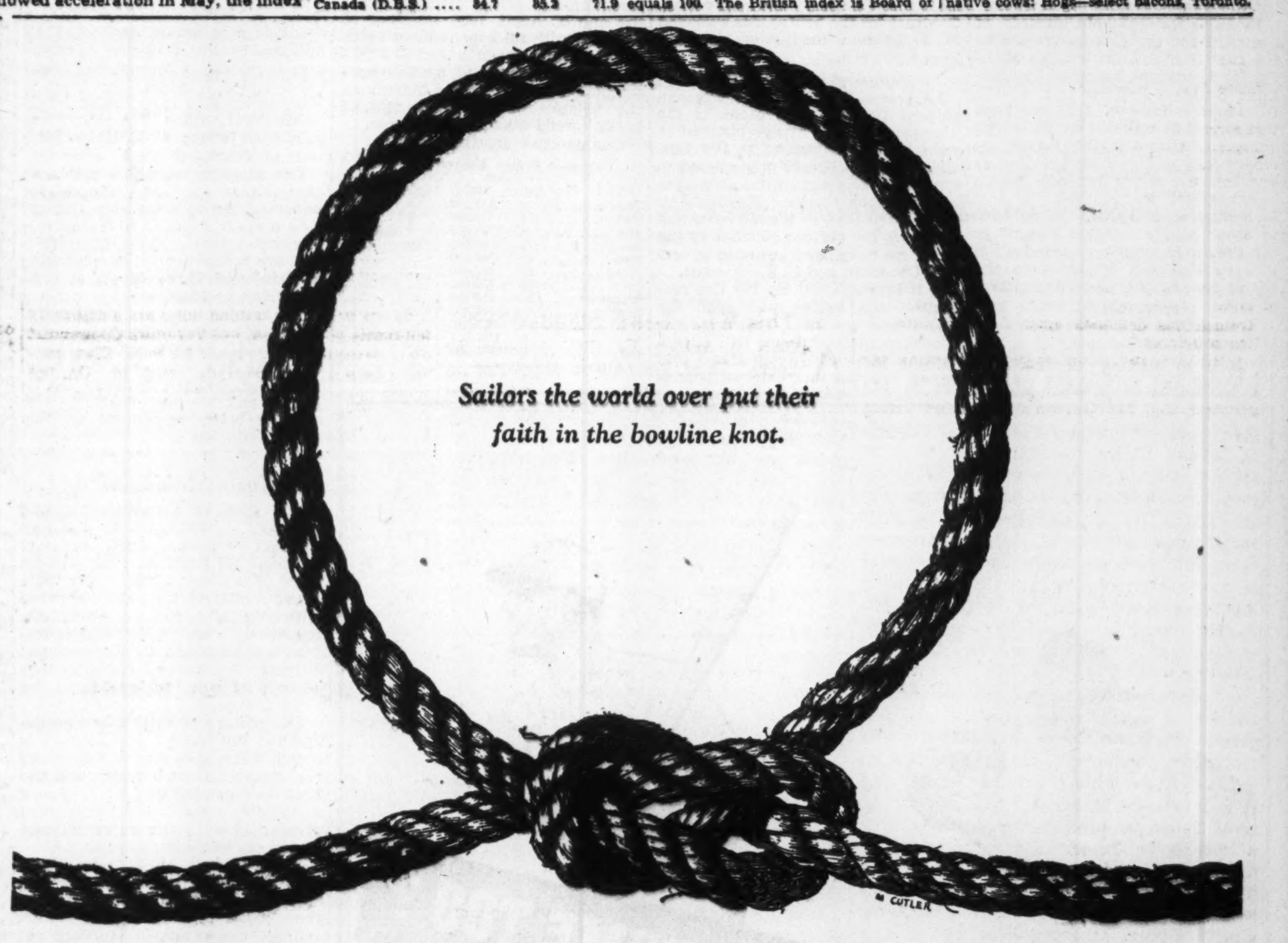

A Bowline Knot on the Future

ALL sailors know that a bowline is dependable. It can be used for many purposes. A bowline knot never slips nor jams, and can be quickly and easily readjusted in an emergency.

Life insurance is a "bowline knot" with which you can secure the future for yourself and family. It serves many purposes and from time to time can be adapted to meet changing needs.

When you plan security for your wife and children, many possibilities must be considered. Your family will need an income whether you are here or not. Your children will need an education. Life insurance will give them that protection.

Your life insurance may never be needed for these purposes. In that case it can be used to provide you, personally, with an income which will help you to enjoy your sunset years.

Invite a Metropolitan Field-Man to assist you in preparing a Program that will really protect your family. Ask him to include in your Program plans for your own retirement. It will give you a "bowline knot" on the future.

The Metropolitan issues life insurance in the usual standard forms, individual and group, in large and small amounts. It also issues annuities and accident and health policies.

The Metropolitan is a mutual organization. Its assets are held for the benefit of its policyholders, and any divisible surplus is returned to its policyholders in the form of dividends.

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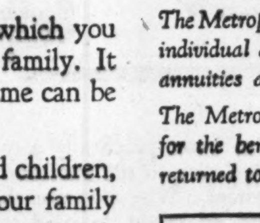
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Construction

Millions to be Spent On Canadian Bridges

Contract Awards This Year Far in Advance of Same Period in 1936 — Floods, Highway Safety Measures Increase Volume

Expenditures by Government, municipal and private bodies on steel, concrete and wooden bridges will be among the major items of new construction contracts in Canada this year. If expansion in bridge building continues at its current rate the total will be substantially in excess of the 1936 volume of $7.7 millions.

Factors pointing to a larger programme of bridge construction, from which steel companies, cement producers, metal fabricating industries and timber dealers will benefit, include damage to bridges caused by spring floods in Ontario, the Maritimes and other areas. In addition, a number of existing structures require long overdue repair and maintenance work. New highways, embodying safety features and two or three-lane traffic channels, must also be equipped with bridges of greater width than formerly, and in the higher cost brackets are projected bridge spans at several points between Canada and the United States, contemplated or under construction in anticipation of heavier traffic across the international boundary.

New bridges either pending or in process of construction range from small wooden affairs over township creeks to gigantic projects spanning border points at costs of $3 millions or more. The huge Lion's Gate bridge at Vancouver is under construction at a cost around $6 millions provided by private capital, and in addition the projected Thousand Islands bridge at Ivy Lea, Ont., and the probable expenditure of $3.2 millions for the Lake St. Louis bridge opposite the Caughnawaga reserve, near Montreal, may further swell the total.

Season Is Starting

If the 1936 record is indicative of the seasonal trend the peak this year is not likely to be reached until midsummer. One reason is that bridge construction does not become general in Canada until May, since early spring months create flood conditions and in some areas weather factors make it economical to postpone building until later in the summer.

In 1936, for example, awards of contracts for bridge construction in the first four months totalled $242,700 for 15 bridges, reported by MacLean Building Reports Ltd. In the first four months of 1937 the total was almost $3 millions for 24 bridge contracts, although the figure includes $2.5 millions for the Thousand Islands bridge contract which has not yet materialized. If this is deducted, however, the $434,200 in other bridge contract awards in the first four months of this year is still substantially higher than the figure for the corresponding period of 1936.

Peak Reached in Summer

Because of spring weather conditions, the first four months' figures for bridge construction are the off-season. Bridge contracts were at their lowest volume in that period of 1936 and rose in May to $180,000, reaching $1.5 millions for July and establishing the 1936 peak for a single month at $3.7 millions in September. Awards for bridges in the autumn months were higher in each case than those shown for the early spring. A total of 181 bridges was reported for 1936 and the figure this year to the end of April is 24.

Among the major projects in sight this year is the Lake St. Louis bridge near Montreal for which the former Quebec Government contracted obligations totalling around $3.2 millions. A Government bill was recently introduced into the Quebec Legislature under which the Government would be authorized to guarantee up to $3.2 millions as a loan, providing maturity does not exceed 25 years and that the interest rate is not over 4%. The authorization is subject to conditions which may be made by the lieutenant-governor-in-council.

Quebec's expenditures for bridges have mounted sharply in recent years. Since 1908 the Provincial Government has granted subsidies to municipalities for construction of highway bridges to a total of $15.7 millions, the municipalities contributing $5.7 millions, up to the end of 1935. Expenditures on bridges in that year totalled $2.8 millions.

Maritime bridge construction this year will include the new Saint John River bridge at Fredericton, N.B., to be erected for the Canadian National Railways. A direct result of flood damage caused a year ago when flood waters in the Saint John Valley destroyed the former bridge, the new structure will have the track grade five feet higher than the old level.

Lessons learned by flood damage in various parts of Canada are being utilized in the new structures scheduled for this year. The C. N. R. Saint John River bridge, for example, will be 2,000 feet long, exclusive of the approaches and will consist of eight truss spans and one swing span set on nine heavy substructure piers. No. 7 pier will carry the swing span. Contract for the bridge was awarded to a Toronto bridge construction firm last week.

Thousand Islands Bridge

Largest of the projected bridges in eastern Canada, at present, is the Thousand Islands bridge planned to span the St. Lawrence at Ivy Lea, Ont. This toll bridge is projected in view of anticipated traffic across the international border. Financing is being attempted by a bond issue and contracts for various sections of the structure have been awarded to several Canadian and U. S. concerns.

If it is completed the Ivy Lea section of the bridge will span the Canadian channel between the Canadian mainland and Hill Island, continuing as a highway across that island, over the international boundary line and across the American channel to Collins Landing on the U. S. mainland. Contracts awarded for various sections and spans total over $2 millions.

Engineers' reports reveal that there are almost 300 miles of international boundary between Cornwall, Ont., and Niagara Falls without a fixed, continuously operated, all-weather crossing, with ferries supplying existing transportation at various points. Tolls of $3 to $4.50 per car are charged for ferry service and earnings of the proposed bridge are calculated on a basis of $1 per passenger car and driver with 10 cents for each additional passenger.

At St. Clair River

Farther west will be erected the international bridge over the St. Clair River, the award of contracts for which will amount to about $3.5 millions. This project of the Ontario Department of Highways and the State Bridge Commission of Michigan will include grading and concrete substructures for a link between Point Edward, Ont., and Port Huron, Mich.

In Ontario and Quebec

Lower cost bridges are also to be built this year at Magog, Valleyfield, Scotstown, Bryson, South Bolton in Quebec, and at Orangeville, Port Arthur, Fort William, Oxford Mills and Owen Sound, in Ontario. Most of these and other smaller bridges pending in western Canada and B. C. represent expenditures ranging from $1,500 to $15,000 or more and in Ontario and Quebec the trend is chiefly in the direction of steel and concrete construction. Reinforced concrete substructures and structural steel superstructures and widely used but timber bridges in British Columbia and other areas are by no means uncommon.

Western Ontario bridges, damaged by spring floods, are being replaced this year with stronger and higher structures at Ingersoll, Tillsonburg and other points. In Quebec the Matapedia interprovincial bridge between Quebec and New Brunswick is to be repaired at a cost of around $13,000 under tenders submitted to Ottawa authorities. This structure is of steel and carries both highway and rail traffic.

Contemplated Bridges

In addition to the scores of small bridges building and repair projects for which contracts have been awarded or are in prospect, contemplated bridge awards at the end of April numbered 29, with an approximate value around $410,000. Ontario and Quebec are far in the lead in this type of construction with figures for contemplated bridge work in the western areas and the Maritimes at relatively negligible totals. Contemplated bridge construction at the end of April, 1936, involved 26 projects with an approximate value of $2 millions of which over $1.5 millions was represented by five contemplated bridges in the Maritimes, the balance of less than $400,000 being spread over the Dominion.

Comparative figures follow:

Canadian Bridge Contract Awards

	1936		1937	
	No.	$	No.	$
Jan.	6	132,400	6	332,800
Feb.	2	40,300	4	22,400
Mar.	3	85,000	4	2,516,000
Apr.	4	15,000	10	79,000
May	15	180,000	..	......
June	23	262,600	..	......
July	50	1,558,200	..	......
Aug.	26	518,300	..	......
Sept.	21	3,748,800	..	......
Oct.	16	173,500	..	......
Nov.	6	864,000	..	......
Dec.	9	173,000	..	......
	181	7,751,200	24	2,950,200

A STEEL FOREST

Picking up heavy pieces of steel as easily as a toy magnet lifts pins, the giant construction boom in the right foreground is lifting a supporting pillar into place at the $3 millions body building and assembly plant of the Ford Motor Co of Canada at Windsor. A forest of steel is rising rapidly and the scene above represents only a small part of the network of steel columns, girders and braces. The angle at the top left hand corner is the peak of the west craneway which will run the 1,000-foot length of the new building.

The Construction World

St. Lawrence Dredging

After studying low-water conditions in Montreal Harbor since January, 1934, the board of engineers of the department of transport continues to have a divided opinion over methods of raising water levels. Members are agreed on the necessity of new channels being dredged immediately at Three Rivers and Sorel, however.

Submitting their report recently, five of seven members of the board made a recommendation for a dredging programme involving $14.8 millions as the probable expenditure to provide a 35-foot ship channel between Montreal and Quebec. This would also raise water levels in Montreal harbor. The report was submitted to Hon. C. D. Howe, Minister of Transport.

The majority report suggests an expenditure of $13.5 millions for widening the existing ship channel with a grade depth of 35 feet at 1934 low water levels. Also, new channels are recommended for dredging at Sorel and Three Rivers at costs of $825,000 and $500,000.

The remaining two members of the board each submitted a minority report. All reports agree that at Sorel the new down-bound channel would be dredged between Ile La Pierre and Ile des Barques with existing weirs remaining as they are.

* * *

Are Costs Stabilized?

The pace of Canadian building recovery is measured by monthly contract awards. April contract totals of $24.4 millions, the highest since November, 1931, were 50% above the March total and compared with only $9.8 millions in April, 1936. Residential construction and industrial buildings are on the increase, although commercial classifications show a tendency to lag behind the other groups.

The picture is still more encouraging if the trend since January is noted. Successive monthly increases are reported since January and the first four months of 1937 produced a building total about one third greater than in the corresponding period of 1936.

It would be a highly satisfactory state of affairs except for one uncertainty; the question of whether building costs are likely to remain reasonably stabilized at present levels.

A few materials widely used in building are as much as 20% above their price levels of six months ago and astute would-be builders have not forgotten how quickly the sweeping rise in general commodities reversed itself in the last two months. Export demand for lumber sent that material sharply higher in price but the price rise also had the effect of dampening domestic buying interest. It is not inconceivable that the same thing is happening in the case of other products essential to speculative or investment building, particularly in the housing field.

* * *

Fire and Water Test

Popularity of the new types of glass brick used in building construction may rest in the last analysis on whether the new material is attractive from a price standpoint. Manufacturers are aggressive in efforts to prove the practical nature of glass brick, its insulating and fireproof qualities and its decorative qualities.

Probably the most spectacular effort in that direction was a recent test in which glass bricks were heated to 1,700 degrees Fahrenheit and then suddenly doused with cold water under high pressure from a fire hose. The bricks, formed in a panel about four feet by five feet, were placed against a grate-like opening containing gas burners. Under 1,000 degrees of heat they crackled from heat but did not break. It was still possible to place the hand on the outer surface without discomfort. Under the cold water attack the bricks remained intact.

New Building

Canadian Pacific Railway, extension to shops at Chapleau, Ont., $35,000.

Wallace Barnes Co., Hamilton, extension $75,000.

Queen's University, Kingston, erection of new Craine biochemistry building, $150,000.

B. C. Electric Railway, Sapperton, British Columbia; car barn and inter-urban depot, $15,000.

Winnipeg Cold Storage Co., addition to warehouse, $20,000.

Smart Brothers, Collingwood, Ont. addition to canning factory, $25,000

Gerald T. Shipman Co., of London, Ont.; paper mill at Hamilton, $500,000.

Palestre du Nationale, Montreal, repairs and alterations $50,000.

David Spencer Ltd., Nanaimo, B.C., addition to store $75,000.

Hudson's Bay Co., Regina, decision of the governors of the company to proceed next year with the construction of a $1 million department store.

Engineering Tool and Forgings Ltd., St. Catharines, Ont., contemplated plant expansion.

B. C. Packers Ltd., Vancouver, new expansion programme involving a new reduction plant, acquiring two plants from other operators and installing reduction equipment in a fourth.

Building Products Ltd., Ville La Salle, Quebec; contemplated addition to existing plant.

Bell Telephone Co. of Canada, Waterloo, Ont., rebuilding street lines, $10,000.

Atlas-Regal Coal Co., East Coulee, Alberta, rebuilt plant to replace that destroyed by fire, $150,000.

Howard Smith Paper Mills Ltd., Montreal, expansion to soda pulp, sulphite and krapt pulp plants.

Town of Orillia, Ont., contemplated airport, $32,000.

Safeway Stores, Calgary, calling tenders for new store building.

Noranda Mines Ltd., Noranda, residential construction $75,000, to start in June.

Pacific Mills Ltd., Ocean Falls, B.C., new warehouse, $200,000.

Boyles Brothers Drilling (Eastern), Port Arthur, machine and repair job, contemplated.

Quebec Building Registers Gain

Indicative of the greater building activity in Quebec, permits issued in the six principal cities during last month totalled over $1.4 million in value. In March, 1937, the total was $640,182 and $444,216 in April, 1936.

All six centres—Montreal, Quebec, Shawinigan Falls, Sherbrooke, Three Rivers and Westmount—report more building permits issued this year than was the case in 1936.

New Government Building Will be Started in the Fall

From Our Own Correspondent

OTTAWA.—While commencement of the new Supreme Court building of the Federal Government appears to be held up until next year by difficulties which have arisen over its site, the Department of Public Works intimates that construction of the so-called Federal "twin" building, to cost between $5 millions and $6 millions, will start early in the autumn. Plans are now being completed and tenders are expected to be called the latter part of July or early in August.

One other Federal building project at least is also scheduled to go forward. That is the erection of a new building and an addition to the ore dressing and laboratories branch of the Department of Mines. The new building will cost $125,000 and the extension $70,000. Work on these structures will also commence early in the autumn.

The twin building is to be located on Wellington Street, just west of the new Justice Building. The intention is to consolidate in it some Governmental departments which are now occupying rented properties in downtown Ottawa.

The new ore-dressing building and extension to the mining laboratories will be located on Booth Avenue.

Dom. Textile Starts Building

Plans Laid for an Outlay of $500,000 — New Unit at Magog

From Our Own Correspondent

Montreal.—Dominion Textile Co. announces a plant expansion programme involving an outlay of $500,000, principally calling for enlargement of the Magog print works. It is estimated that more than $300,000 of the total expenditure involved will be spent in Canada, and the plant expansion will make possible employment of a large number of additional workers.

Expansion of the Magog plant will involve erection of a large new building adjacent to the existing print works and installation of new machinery and equipment amounting in value to about $250,000. Present plans are to have the building completed by early autumn and to have the machinery in operation by the end of the year.

The new plant will specialize in printing and finishing of fine shirtings.

Magog Print Works, during the 12 months ended March last, produced 65 million yards of printed cotton and rayon fabrics. At present the plant has on its payroll approximately 900 workers, apart from 800 workers employed in the adjacent Magog Cotton Mill.

Godfrey Realty Corp. To Pay Interest June 1

On June 1, 1937, Godfrey Realty Corp., Montreal, will make a semi-annual interest payment on account of the certificates of indebtedness attached to its first mortgage bonds. The payment will be 1½%, plus interest at 6% per annum on the deferred interest, amounting to $17.70 per $1,000 bond. Bondholders can receive payment, free of charge at any branch of The Royal Bank in Canada, on presenting installment coupon No. H.

The regular interest coupon which is due June 1, 1937, will not be paid at this time. A plan of reorganization may be announced in the near future to take care of the passing by the company of payment on the regular interest coupons.

Asbestos Corp. Active 1937 Shipments Heavy

From Our Own Correspondent

MONTREAL.—Further expansion in operations of Asbestos Corp. is indicated by figures released by the Dominion Bureau of Statistics on asbestos production and shipments. During March Canadian producers shipped 32,746 tons, compared with 27,301 tons in the preceding month and 16,225 tons in March, 1936.

Shipments during the first quarter of 1937 totalled 82,501 tons; in the corresponding months of the previous year, 50,279 tons were shipped.

Subsidize Highway Bridges

Since 1908 the Quebec Government has paid muncipalities $15,675,237 for the construction of highway bridges. In that time 1,312 bridges have been built

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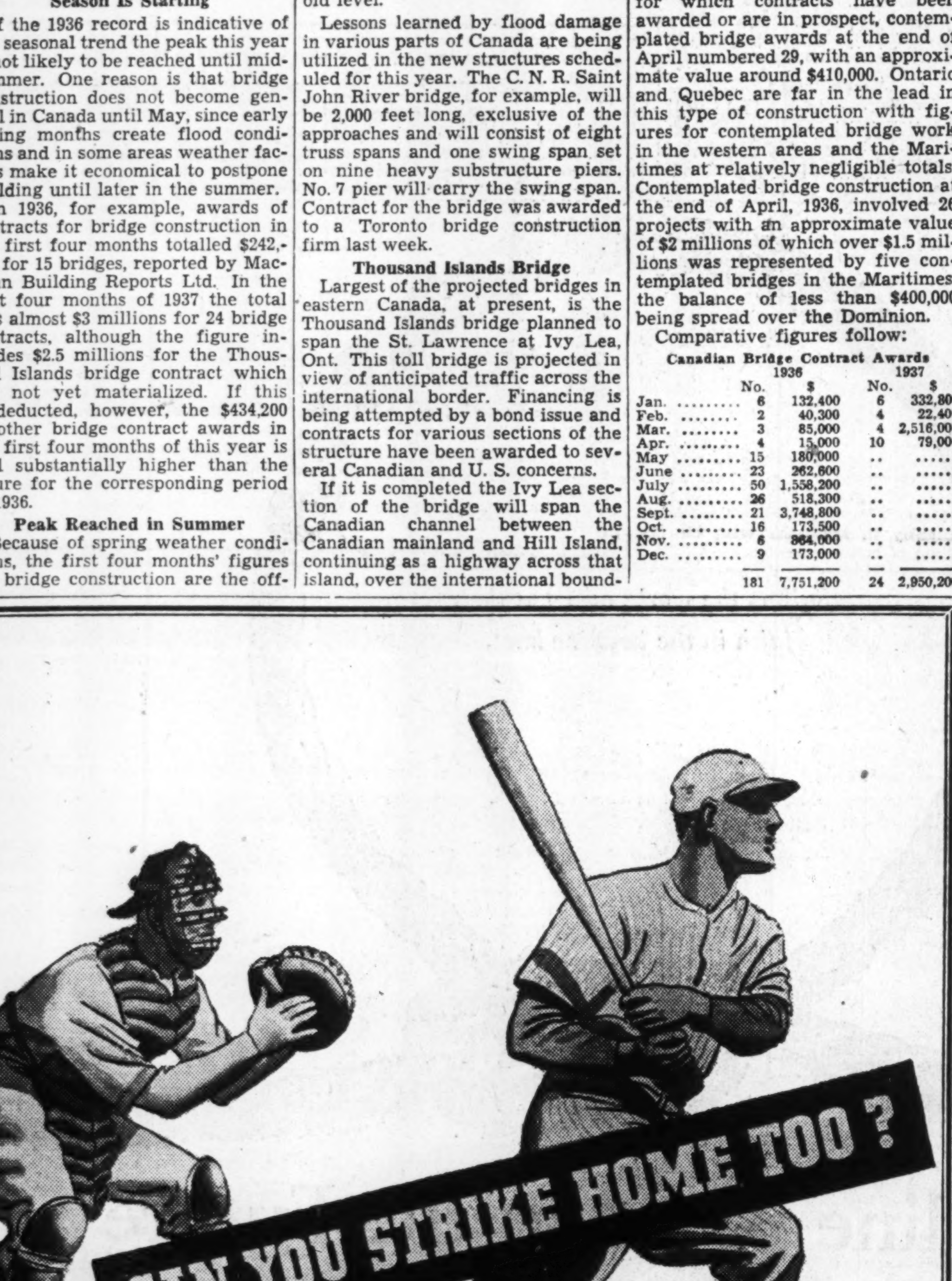

IS your plant in such good working order that each day's production is a home run—a four-base hit that means unimpeded progress? If it isn't, then something is lacking.

In many cases where plant production fails to function properly, the fault lies with obsolete equipment. Perhaps *your* equipment is out of tune with today's efficiency—retarding the production necessary to meet today's competition. If such is the case, I.A.C. facilities can help you.

There is an I.A.C. Deferred Payment Plan to meet practically any requirement relative to the purchase of plant equipment. Why not use this sound method of credit to modernize your plant? And establish your operation on a more economical and efficient basis, thus placing yourself in a more competitive position.

The outlay under I.A.C. Deferred Payment Plans often amounts to less per month than the savings effected through the use of the new equipment . . . your present financial set-up is not disturbed.

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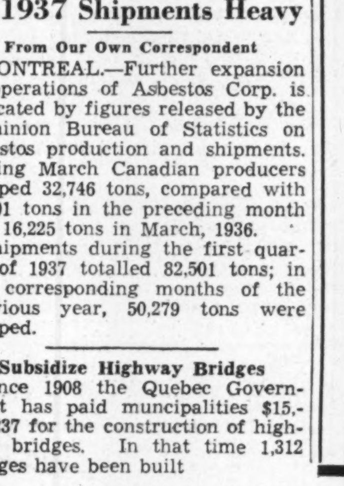

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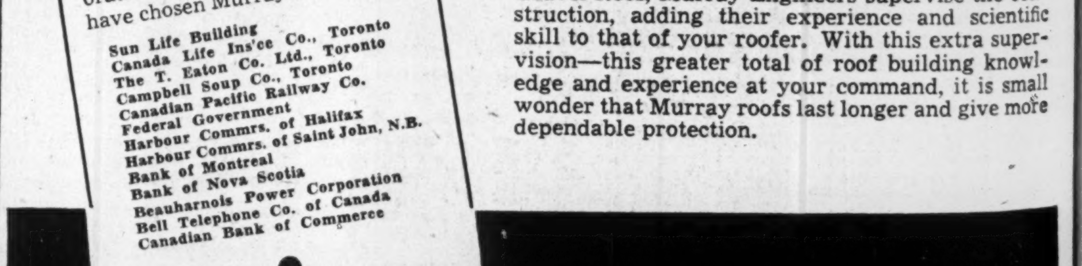
Campbell Soup Co., Toronto
Canadian Pacific Railway Co.
Federal Government
Harbour Commrs. of Halifax
Harbour Commrs. of Saint John, N.B.
Bank of Montreal
Bank of Nova Scotia
Beauharnois Power Corporation
Bell Telephone Co. of Canada
Canadian Bank of Commerce

In the science of roof building, experience has proved that certain materials and methods out-last and out-wear all others. Consequently we rely only on materials and methods that have withstood the tests of time and weather when constructing Murray Built-Up pitch and gravel roofs. Many roofs built up with pitch and gravel, are still giving trouble-free service after 40 years' exposure and wear.

To assure the maximum in waterproofing and protection from every Murray Built-Up Pitch and Gravel Roof, Murray Engineers supervise the construction, adding their experience and scientific skill to that of your roofer. With this extra supervision—this greater total of roof building knowledge and experience at your command, it is small wonder that Murray roofs last longer and give more dependable protection.



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Abitibi Common

A few weeks ago you described the position of Abitibi common as one subject to two uncertainties, the future prosperity of newsprint and the portion of the equity for the shares in any reorganization. Is that still your view?

Abitibi common shares have dropped because of public realization of the scanty provision made for them in reorganization proposals. On the balance sheet there is no equity for the common, after allowing for the full claims of bondholders and of preferred shares. The shares may become involved in a legal battle with dubious results. The situation therefore continues one of great uncertainty.

Gatineau Power

What do you think of Gatineau Power's first mortgage bonds? Are earnings sufficient to cover bond interest and are the company's finances in sound shape?

Gatineau Power Co.'s earnings this year are expected to be somewhat lower than in 1936 owing to a reduction in aggregate revenue from the Ontario Hydro. However, the company can cover interest charges on its first mortgage bonds and debentures comfortably. One of the near term problems confronting Gatineau Power is the redemption of its debentures, which mature in 1941. This matter is now being given consideration by the management. On the basis of the present short term contract with Ontario Hydro, there might be some difficulty in refinancing the debentures on a favorable basis. On the other hand a great deal could happen in the next four years and it is possible that Ontario Hydro will take steps to extend the contract.

Gypsum Lime

Do you feel that Gypsum, Lime and Alabastine is too speculative at today's price for a long hold?

Gypsum, Lime & Alabastine's sales for the first quarter in 1937 are reported to show an increase of 15% to 20% over the corresponding period of 1936, reflecting the increase in building activity. No information is available as to the current trend of earnings, but in the year ended Nov. 30, 1936, the company reported a net revenue of $453,397 available for depreciation and bond interest. This compares with $368,271 in the 1935 year. After providing for all charges, except for sinking fund on the bonds, there was a surplus of nine cents a share on the common stock as against a deficit of 11 cents a share in 1935. The stock has possibilities in view of the anticipated increase in building, but is subject to the arrears of sinking fund on the bonds.

Foundation Co.

I would appreciate any information you can give me on the 1936 earnings, financial position and future prospects of Foundation Co. of Canada.

Foundation Company of Canada reported a net operating profit of $68,401 for the year ended April 30, 1936, as compared with $58,572 in the previous year. Financially the company had a strong position at the end of April, 1936, current assets exceeding current liabilities by $744,428.

The financial statement for the year ended last April, which is expected to make its appearance some time next month, will likely show an advance in earnings. Last November the company had over $7.5 millions of business on its books, as compared with $3.5 millions of contracts on hand a little more than a year previously. A large part of this work is expected to be completed in the 1937 fiscal year, with the result that earnings on the capital stock should show an increase.

National Distilleries

Will you let me have some information on National Distilleries Ltd. (Canadian)?

National Distilleries Ltd. was placed in liquidation in January, 1931, after a short and unsuccessful career. The estate has now been wound up. Creditors' claims were taken care of in part, while there was nothing available for the stockholders, and the shares are of no value.

Dominion Tar

Dominion Tar and Chemical Co.'s 4½% bonds have been recommended to me for investment and I would like to know what you think of this security.

Dominion Tar and Chemical Co. is the largest business of its kind in Canada. While sales and earnings fell off during the depression, the company was able to fully service its bonded debt. Not long ago the bonded debt was refinanced on a lower interest basis. Interest was earned 4.02 times before and 2.80 times after depreciation in 1936. As the refunding operation was not carried out by the company until late fall, the change is not reflected in interest charges. However, it is anticipated that for 1937 interest charges will be covered by a wider margin.

General Steel Wares

I would like your comments regarding the investment merits of General Steel Wares' bonds.

General Steel Wares has carried out refunding operations, resulting in a material reduction in interest charges. During 1930 to 1932 the company did not earn the interest on its own bonded debt, but, nevertheless, made regular payments. Since that time there has been a steady improvement in the company's position and in 1936 interest on the old debt was earned 2.17 times before depreciation and 1.57 times after depreciation. In view of the reduction in the face value of the debt and the lower interest, the company is in a stronger position to cover the charges.

B. C. Power

Please be good enough to let me have your opinion on the class A stock of British Columbia Power Corp. I would like to know something about earnings.

British Columbia Power class A stock has improved with steady recovery in earning power. In the year ended June 30, 1936, the company reported total income of over $13.9 millions, with net profit equal to $1.64 a share on the class A stock. Since then interim reports have indicated a further advance in earnings and, reflecting this improvement, the directors have increased the annual dividend from $1.60 to $1.80 a share.

Reliance Grain

I am considering the purchase of a small amount of Reliance Grain bonds, but before taking any action, would like to have your opinion as to the company and the security back of the bonds.

While the record of the grain companies has not been favorable in recent years, Reliance Grain has demonstrated its ability to cover debt charges by a comfortable margin. Returns for 1936 show bond interest earned 4.16 times after depreciation and 6.36 times before depreciation. The equity behind the bonds has steadily increased and at the end of 1936 amounted to $3,011 for each $1,000 bond. New financing carried out last year resulted in a reduction of the old 6% bonds and the replacement with a lower coupon issue, resulting in a material saving in interest charges. As a consequence the company should be able to show the interest earned by a larger margin than has been the case in the past.

W., E. & L. S. Railway

What is the present position of bondholders of Windsor, Essex and Lake Shore Electric Railway Association?

Bondholders of Windsor, Essex and Lake Shore Electric Railway are meeting on May 31, 1937, to appoint a committee to draft a plan of reorganization. The committee is to have authority to approve or oppose any reorganization plan of the association or the refinancing plan of the nine municipalities, the bonds of which are held as security for the W. E. & L. S. bonds. The railway is no longer operating and the physical assets have been sold by the trustee. The chief assets behind the bonds are approximately $1.1 million of debentures of the nine municipalities formerly served by the railroad. These municipalities are the towns of Essex, Kingsville, Leamington, the city of Windsor and the townships of Sandwich West, Sandwich East, Sandwich South, Gosfield North, and Gosfield South.

The Windsor municipalities have been refinanced recently but definite provision was not made for the city's liability for the debts of the Railway Association. Final settlement will have to await refinancing of the other defaulted municipalities. Each of the municipalities concerned, under the terms of the agreement, is jointly and severally liable for the debts of the railway and the exact apportionment of the liability has yet to be made.

Grouped Income Shares

Can you explain the methods of operation by Grouped Income Shares and supply information which will permit an appraisal of the desirability of these shares as an investment?

Grouped Income Shares, series A, constitute an investment trust of the semi-fixed type. The basis is a unit investment in 200 common shares of 30 successful Canadian and American companies. These 200 shares are held by the Toronto General Trusts Corp. Then 2,000 Grouped Income Shares are issued, representing fractional portions of the block of 200 common shares in the 30 companies.

The price of Grouped Income Shares fluctuates in accordance with the market value of the underlying stocks. Income to pay dividends to holders of Grouped Income Shares is derived from payments on the common stocks deposited with the trustee.

The long-run success of an investment in shares of Grouped Income Shares depends on the success of the 30 companies whose common stocks are deposited with the trust company. The only change that can be made in this list of selected stocks is through the elimination, at the discretion of the trustee, of any stock that is found unsatisfactory for the trust purposes. So far no eliminations have been made. Funds realized from the sale of stocks that are to be eliminated can be invested in other stocks which are already included in the portfolio.

Companies whose shares are held behind Grouped Income Shares are:

American Can	Woolworth Co.
American Smelting	Bell Telephone
American Tobacco B	Montreal Power
Borden Co	Shawinigan
du Pont de Nemours	Amer. Gas & Elec.
General Electric	Amer. Tel. & Tel.
Int. Harvester	Cons. Gas. of N. Y.
Johns-Manville	Elec. Bond & Share
National Biscuit	North American Co.
Otis Elevator	S. Calif. Edison
Sears Roebuck	United Gas Impr'm't
Stan. Oil of N. J.	Atchison, T. & S. F. Ry.
Union Carbide	C. P. R.
U. S. Steel	N. Y. Central Ry.
Westinghouse Elec.	Union Pacific Ry.

Semi-annual distributions are made on May 31 and Nov. 30. Distributions during 1936 totalled 17 cents a share.

Grouped Income Shares mature May 31, 1951, but any investor can liquidate his interest in the trust at any time by exercising the conversion privilege. This means that 500 trust shares, or multiples thereof, may be converted into the actual stocks which are deposited as collateral for each unit. Unless this privilege is exercised the value of Grouped Income Shares at the time of maturing will depend on general business and investment conditions in 1951, the time of maturity.

B. A. Oil

I have quite a substantial investment in British American Oil shares, and would appreciate your comment on this holding.

British American Oil Co. showed total earnings last year equivalent to $1.41 a share. Approximately 95 cents a share came from Canadian earnings and about 46 cents a share from operations of the subsidiary, British American Oil Producing Co. in the United States. There was approximately another 46 cents a share of net profit in the American operations which, however, was not withdrawn, nor taken into account in the British American Oil earnings.

With higher production of crude oil and somewhat higher prices, the prospects appear to be for increased earnings by the U. S. subsidiary this year. As for the Canadian operations, the company continues subject to the necessity of absorbing sales tax, and is also affected by the higher price it must pay for supplies of crude oil. The dividend of $1 a share, however, is being covered by a very wide margin, and the highly profitable American operations enable the combined organization to improve the liquid position.

Bank of Canada

I notice that Bank of Canada shares have fallen off from the recent high of approximately $60 a share. Has this anything to do with the recent issue of new shares to the Government?

It does not appear that the price of Bank of Canada shares is influenced to any important degree by the issue of new shares to the Dominion Government, as the additional shares are not available for public dealings.

The annual dividend on Bank of Canada shares held by the public is limited to 4½% on the shares of $50 par value, or $2.25 a share. The bank's sources of revenue are lucrative, and the dividend is therefore looked upon as a fixed payment without much likelihood of any disturbance. The probability is that the dividend will not be lowered, and it cannot be raised from 4½%. Consequently, the shares are similar to fixed interest debentures, and are subject to fluctuations in accordance with the general level of interest rates. The shares have declined slightly in sympathy with the decline of bond prices.

The Woman Investor

Enquiring as to the relative merits of employing investment counsel or investment dealer advice for the management of her capital, a woman investor says she wants to follow a conservative investment policy, but with some emphasis on the idea of increasing her funds.

Professional investment counsel service is obtainable for an annual fee, usually amounting to about ½% of the invested capital. Sometimes a minimum yearly charge of $100 is made, which amounts to 1% on a capital fund of, say, $10,000. For moderate amounts of capital, therefore, investment counsel fees may be a rather high charge. It may, therefore be uneconomical to employ investment counsel where the capital is under $20,000, unless special arrangements can be made.

Some investment counsel services have been successful during the current period of economic recovery. Few such services, however, have been in operation long enough in Canada to demonstrate their ability under different business conditions. If competent, investment counsel service permits wide flexibility of the investor's policy. It may be noted that basing fees on the amount of capital invested, as well as on the type of services rendered, gives an incentive to invest for capital appreciation, rather than primarily for safety.

An investment dealer has many of the advantages of investment counsel but also certain disadvantages. That is, the investment dealer may be interested in marketing securities which he himself owns. Good investment dealers exercise caution in the securities they purchase for re-sale, but the investment dealer's advice may not always be impartial. From the standpoint of economy, the use of reliable investment dealer advice is often a satisfactory method for the woman investor. Its success, however, depends largely on the individual investment dealer. If the dealer provides disinterested advice, it may be highly satisfactory; if, however, the woman investor places her funds largely under the control of a single investment dealer there is always the possibility of being overbalanced with his offerings of securities.

CANADIAN SECURITIES

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Municipal Bonds

Public Utility and Industrial Financing

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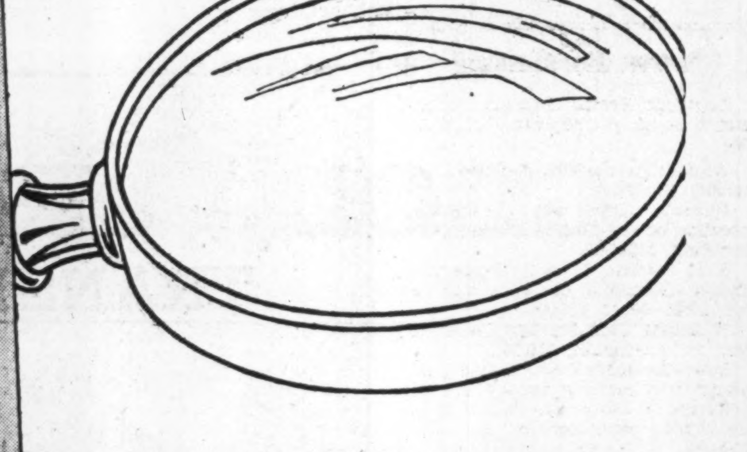

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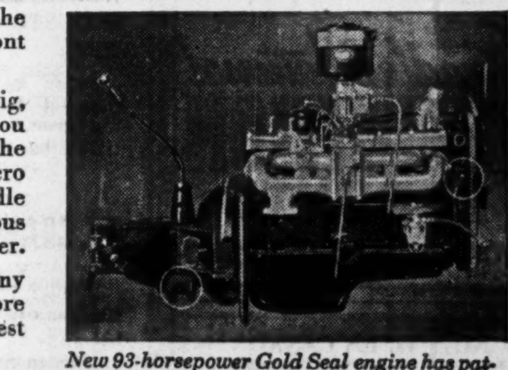

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ROYAL LEADERS OF THE KING'S HIGHWAY

Week in Mining

British Gold Views Favor Stabilization

Possibility of International Acceptance of Values Equivalent to $35 an Ounce Important to Gold Mine Shares

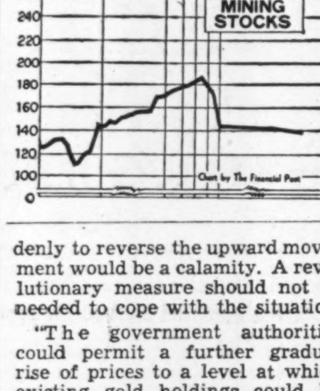
Discussion in the past week of the possibility of international stabilization of the price of gold at levels equivalent to $35 an ounce has been the most favorable influence for gold mining shares since February when rumors of the possibility of a reduction in price sent them tumbling on the exchanges.

The fear of a reduction in the price of gold was based primarily on the fact that the United States has been the only major buyer until the British exchange stabilization fund recently started to acquire more of the metal.

The best financial and economic opinion from British quarters is that reduction in the price of gold would now create a great disturbance of world recovery; and that other means should be used to control the monetary influence of gold rather than risk a calamity by tinkering further with the price. That is good news for gold mining and especially shareholders.

Position of Gold

One of the best brief analyses of the gold situation that has appeared recently is contained in comments by John Martin, a member of the court of directors of the Bank of England. In delivering the chairman's address to shareholders of Rand Mines Ltd., one of the major British gold mine holding companies, Mr. Martin brought up the question of how long governments will continue to absorb gold in excess of their monetary requirements. Their motive, he said, is to prevent the monetary situation from getting out of hand as would happen if they permitted inflationary expansion of credit on the increased value of gold. There may, therefore, be a limit, he stated, to the capacity for absorption of gold under present conditions. But he had suggestions for coping with the situation, in part, as follows:



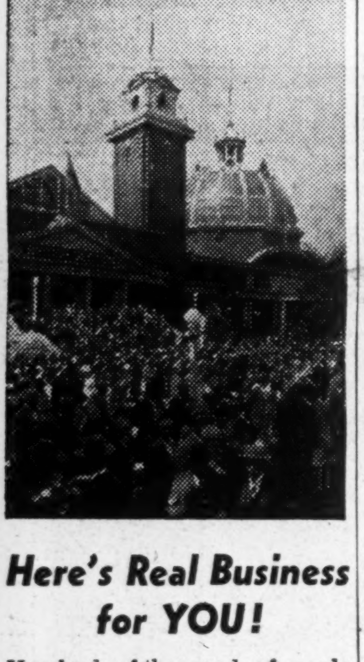
"The higher price of gold and other commodities has lifted the world from depression, and suddenly to reverse the upward movement would be a calamity. A revolutionary measure should not be needed to cope with the situation.

"The government authorities could permit a further gradual rise of prices to a level at which existing gold holdings could be utilized for monetary purposes without their present scale of redundancy. The lesson also to be drawn from the difficulties of recent years is that much larger gold reserves than ever before are needed against international movements of capital . . . .

"It may be—let us hope it will be—that with the widest co-operation a further effective approach may be made toward a form of stabilization on a gold standard, full consummation of which would relieve and indeed solve so many acute economic problems that now beset the world."

While he carefully avoided forecasting the future of gold, Mr. Martin left no doubt that he believes the metal will continue a dominant factor in world currency management, and that the price should not be disturbed without serious consideration of the dangers it would involve.

The Multitudes who crowd every building represent tremendous purchasing power!



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Compare Favorably With Averages For Other Fields

Production costs at Pickle Crow Gold Mines compare "most favorably" with the world's leading mines, John E. Hammell, president, told shareholders at the annual meeting.

Average costs for nine of the leading American mines are $18.60 per oz., the figure for Pickle Crow being $11.50 per oz. of gold. Cost for six of the leading mines in Porcupine camp are $18.53 per oz.; eight leaders in Kirkland Lake average $15.49 in costs per oz., and average cost of the Rand, South Africa, is $18.52 per oz.

Mr. Hammell said the company would be able to maintain the 10-cent dividend, and that the three lower levels compare favorably with the upper ones. The 900-foot level has averaged $20.88 across 34.7 inches for 398 feet; the 1,050-feet level, $38.82 across 36.8 inches for 396 feet, and the 1,200-foot level, $32.50 over 30 inches for 418 feet.

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Hedley Mascot Has Good Year

Net Profits of $387,232 Reported at Annual Meeting

From Our Own Correspondent

VANCOUVER.—Gross production from Hedley Mascot mine during the period May 5, 1936, to April 30, 1937, was valued at $793,238, with a net profit of $387,232 after deducting all costs except depreciation and mine depletion, shareholders were told at the annual meeting here.

Cash position of the company at April 30, after liquidating lien notes of $330,000 and a bank loan of $100,000, showed a bank balance of $96,063, and there was due from shipped concentrates a further $41,413, making total cash on hand and in transit $137,476.

Regarding the Nesbitt, Thomson & Company option, which called for a firm purchase of 100,000 shares at $1.62½ per share, this was completed, and a further option on another block of 100,000 shares at the same price payable on or before May 15 was granted. Of this latter 50,000 have already been taken up. An option on a third block at $2.25 a share, payable on or before June 15, was given. From this sale of shares $243,750 has been realized. A request from the optionees that the time for the remainder of the option be extended was not granted.

The mill is now handling 175 tons a day, and diamond drilling operations are described as distinctly encouraging by Managing Director R. H. Stewart. No. 3 ore body was opened up early this year. A new compressor will be in operation about July 1.

Mining Company Reports

Powell Rouyn

Powell Rouyn directors are considering building a 500-ton mill at a cost of $340,000, John C. Rogers, consultant, told shareholders at the annual meeting. No decision has been reached. Mr. Rogers and George Miller, resident manager, speaking of mine developments, said it was estimated that there was 2½ years' ore in sight to the 500-ft. level. Ore was continuous, Mr. Miller said, and it was unnecessary to look for it. He estimated average grade of developed ore at $6.60 per ton.

Mining and milling costs could be set at $4 per ton. A new three-compartment shaft is being sunk about 510 feet east of the former incline shaft, and it is expected to cut the vein at vertical depth of 750 feet. When this level is reached, decision on a mill can be made. All work has so far been done on the main vein.

The suggestion of new capital, in the present market, gave rise to considerable discussion. On the remaining 370,000 treasury shares the company held underwriting options until recently, but these have been dropped, and further plans have not yet been made by the directors. The company's authorized capital is only 1,500,000 shares, it is pointed out.

Mosher Long Lac

Mosher Long Lac Gold plans to continue drilling on one of its northerly claims in Little Long Lac area. Results of the eight holes so far drilled, while not conclusive, are regarded as encouraging, says Murdock C. Mosher, president, in the company's annual report.

About 18,000 feet of diamond drilling and an extensive exploratory campaign have been carried out during the past year. Current liabilities of $5,159 at year-end were increased to $7,500 at Mar. 31, 1937. Options on 309,191 shares were outstanding at that date.

Income for the first three months of 1937 totalled $28,227, against $3,201 for 1936. Expenditures were $17,873, leaving balance of $10,354, which reduced expenditure account of $49,624 at Dec. 31, 1936, to $39,270 at March 31, 1937.

Stadacona Rouyn

Stadacona Rouyn Mines, for the first quarter of 1937, reported a profit of $10,985. Total recovery was $101,839, or an average of $5.67 from 17,958 tons at the rate of approximately 200 tons daily.

Most of the profit showed in March, when the milling rate was jumped to an average of 214 tons daily. Recovery rose to $6.33 per ton and costs dropped to $4.93 per ton, resulting in a profit of $9,248.

On a 300-ton daily basis, with mill heads over $10 per ton and costs reduced to around $4 per ton, as anticipated by the management, the monthly profit before taxes would exceed $50,000. The mill will be handling 300 tons daily before the end of May.

Little Long Lac

By July, Little Long Lac Gold's mill should be handling 300 tons daily, Joseph Errington, president, told the annual meeting of shareholders. The shaft is being deepened to 1,300 feet and is at present down about 1,150 feet, where a station has been cut. Output for the first four months of this year was valued at approximately $500,000.

Kootenay Belle Output

Gross production of Kootenay Belle gold mines during the year ended Feb. 28 was valued at $268,140, according to President Jonathan Rogers, who says that at the present rate of operations and costs the company should earn between $10,000 and $12,000 a month after allowing all charges.

Mining News Concentrates

Central Cadillac Gold — Reports that the south crosscut on the 200-ft. level is still showing good mineralization 453 feet from the shaft. Joseph Evans, M. E., formerly in charge of O'Brien's assay office, is now resident engineer for Central Cadillac under direction of R. C. Bryden, M.E., consultant.

* * *

Hudson Bay Mining and Smelting —Has declared an interim dividend of 75 cents per share, payable June 28, 1937, to shareholders of record May 28. This represents an increase of 25 cents over the last payment, the previous disbursement being 50 cents on Dec. 21, 1936.

* * *

Dumico Gold Corp. announces that D. H. Angus has been appointed its managing director. Dumico is opening up the old Duparquet property next to Beattie Gold Mines. Mr. Angus is also a director of Beattie and McWatters Gold Mines.

* * *

Gillies Lake Porcupine will ask shareholders at a special general meeting to approve a development programme entailing expenditure of a substantial sum on the known and indicated ore bodies to the west and north of the company's present workings. If this work is successful it will mean increasing mill capacity to at least 200 tons daily.

* * *

Halliwell Gold reports that on the 150 level, the crosscut is out 70 feet from the shaft, and should reach the ore body, 300 feet away, about the beginning of June. Shaft is down 450 feet, with stations cut at 300 and 400 feet. This Rouyn twp. property will work three diamond drills this month in new surface exploration of its east and west sections. Drilling showed values of over $20 per ton across widths of six to 18 feet in the southern section, and this will be further explored.

* * *

Lancour Mines reports that additional diamond drilling is being carried out at its property adjoining Pamour in Porcupine district to determine the dip and strike of the recently inserted vein which yielded an assay of $15.40 over a width of three feet.

* * *

O'Brien Gold Mines notes a considerable increase in width of ore in drifting operations on the four new bottom levels, J. P. Dickenson, vice-president, reports. Before average grade can be reliably determined more mill testing of the new ore bodies on the twelfth and thirteenth levels is necessary because of the erratic occurrences of free gold. A further 100 feet of drifting must be done on the tenth level to come under the high grade developed on the ninth. On the twelfth level at 1,389 feet the drift has been advanced 25 feet east of the main shaft, exposing high grade in quartz, and "slashing out" here has indicated a width of 12 feet. Sinking of the new No. 3 shaft started late in April.

* * *

Lebel Oro Mines in Sudbury district, reports that millheads during April ran $9.25, while tailings were 70 cents per ton. Mill is currently handling 80 tons of ore daily.

Mining Dividends

	Rate	Close May 22	Yield %
Anglo-Huronian	20c	6.00	..
Beattie Gold	†5c	1.30	..
Bralorne	40c+15c	7.00	*7.8
Buffalo Ankerite	50c+5c	9.45	*5.8
Bulolo Gold	‡1.50	24.00	..
Cariboo	10c	1.65	6.1
Central Patricia	4c	3.25	..
Coniagas	12½c	2.85	..
Cons. Smelters	$1+$1	81.75	..
Dome Mines	$2+$2	40.75	*9.8
Falconbridge	30c	8.20	3.6
Hollinger	65c+45c	11.50	*9.5
Howey Gold	2c	.36	..
Hudson Bay	‡75c	31.50	..
Island Mountain	‡10c	.76	..
Int. Coal & Coke	‡1c	.21	..
Inter. Nickel, com.	$2	61.50	3.2
Inter. Mining	30c	12.00	..
Kerr Lake	5c	.62	..
Kirk. Lake	‡3c	1.47	..
Lake Shore	$4+$1	54.12	*9.2
Lava Cap M.	2c	.97	..
Little Long Lac	20c	5.50	..
Macassa	15c	5.50	2.7
McIntyre	$2	34.50	5.8
McKenzie Red Lake	4c	1.27	..
McKinley Sec.	5c	.55	..
McWatters Gold	5c	.54	..
Noranda	$3	62.75	..
Nor. Can. Mining	2c	.79	..
Nipissing	25c	2.45	..
Placer Develop.	‡60c	15.50	..
Premier	12c+1c	2.71	*4.8
Pioneer, B.C.	40c	3.05	10
Pickle Crow	§5c	6.45	..
Reno	12c	.88	13.6
San Antonio	7c	1.57	..
Sheep Creek	8c	.80	10
Siscoe	20c+1c	4.10	*5.1
Sudbury Basin	10c	4.30	..
Sullivan Cons.	†2½c	1.40	..
Sylvanite	20c+5c	3.25	*7.7
Teck-Hughes	40c+5c	5.20	*8.6
Toburn	8c	2.50	3.2
Ventures	2½+2½c	1.75	..
Wright-Harg.	♦40c+20c	6.45	*9.3

‡Interim. †Initial.
*Yield includes bonus.
♦Includes 10c. interim paid Feb. 1 and extra of 10c.
§In addition, the company has declared an increased dividend of 10 cents per share payable June 30, 1937.

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Active Time For Manitou

Large Mining Interests at Work in Manitoba District

Recent activity in Manitou area of Kenora mining division is associated with important names in mining. Among them are R. J. Jowsey, Ventures, Anglo-Huronian, McDonough Enterprises, Thayer Lindsley, Coniagas, Dumond Mining and Exploration and other companies working on a smaller scale.

Ventures, Anglo-Huronian and W. J. McDonough are jointly financing Elora Gold Mines, which has possibilities of becoming a large-tonnage producer. Jowsey interests have advanced $77,500 to ensure that Big Master Consolidated goes well into the development stage if results continue satisfactory.

When navigation opens a mining plant now waiting at Wabigoon will be moved to the property of Selby Lake Mines. Gaffney Mines will take in a mining plant before the end of the present summer season should results of deep diamond drilling substantiate the indications obtained from shallower work.

Tecumseh Exploration

Tecumseh Gold Mines, which took over the old Detola property, will do further exploratory work during the summer in an attempt to locate new chances. Coniagas Mines is said to be doing surface work on the Wright claims and some adjoining ones staked by it. Orareef Gold has taken up the old Barker Reef and expects to be active before long. When sufficient surface work has been done to justify diamond drilling, Maniwobic Gold Syndicate plans to return to its claims.

As soon as a drill can be put on the property, Valloc Mines will begin a programme of drilling. H. M. Whimster, geologist, has reported favorably on this property. Mines Development contemplates diamond drilling on a 4,000-acre group of claims extending from Upper to Lower Manitou Lakes. Mankirk Gold Syndicate is staking new claims and doing assessment work, and the adjoining Big Dick mine has been taken under option.

It is expected that eastern interests represented by H. S. Hatch will do further work this summer on the Merrill-Walmsley claims.

Louisana Land Reports Expansion in Operations

From Our Own Correspondent

MONTREAL. — Louisana Land and Exploration Co., whose stock is listed on the Montreal Curb Market, reports net profit in the first half of this year at approximately 35 cents a share. In the similar period of 1936, E. B. Tracy, president, said profits were $499,500 and, after charges, equal to 16 cents a share.

Gross production of crude during the first quarter amounted to 3.2 millions barrels compared with over 2.9 millions in the March quarter last year. Present output is around 35,000 barrels daily from 110 producing wells. Of this number eight are newly completed wells. Eight more wells are being drilled and four are in preparation for drilling.

Forfeited Lands Open for Staking

Ontario Dept. of Mines announces that those lands listed in the Ontario Gazette of May 15, 1937, as forfeited for arrears of taxes under the Mining Tax Act may be restaked on and after June 21 at 12 noon C. S. T. for lands and mining rights in Kenora and Rainy River districts. The time limit is 12 noon E. S. T. for lands and mining rights in the other and remaining districts, according to an order-in-council accompanying the notice in the Gazette.

Lists may be seen at the Parliament Buildings, Toronto, in the office of the mine assessor and at recording offices throughout the province.

OPTIONS

Pursuant to listing regulations, the Toronto Stock Exchange has been advised of options and underwritings upon treasury shares of the following companies:

Bankfield Cons. Gold Mines has received payment for 160,879 shares at $1 per share. This is part of option dated Sept. 1, 1936, on 199,993 shares at $1 per share exercisable by Dec. 31 next, and brings issued capital to 2,560,904 shares.

Powell Rouyn Gold Mines, not having received payment of the May 15 installment under agreement dated Feb. 22, 1936, comprising 16,000 shares at $1.25 per share, all unexercised options on treasury stock of the company have therefore been cancelled.

Tashota Goldfields has received final payment under underwriting agreement dated Nov. 23, 1936, covering 165,033 shares at 15 cents per share. Total issued capital is 4,294,148 shares.

Francoeur Gold Mines announces that $40,000 has been paid through subscription of $125,000 for 250,000 shares of treasury stock. Balance of subscription, $85,000, is payable on demand.

Maralgo Mines—May 15 installment under agreement of Feb. 6 covering 160,000 shares at 40 cents per share has not been received, and the option has accordingly been terminated by default.

Paulore Gold reports that the agreement dated Nov. 2, 1936, as amended Feb. 11 last, has been further amended to provide an extension of two months for all payments. Consequently next payment covers 50,000 shares at 35 cents payable by July 17, 1937.

Grull-Wihksne Gold Mines—The option on 100,000 shares at 12 cents per share, dated Sept. 2, 1936, has been terminated by default. Total outstanding capital is 2,340,139 shares.

McMillan Gold Mines—Advises that option agreement dated Nov. 4, 1936, covering 313,926 shares at 10 cents per share, has been terminated by default. Option was for a period of six months and during this time a total of 150,000 shares were taken up and paid for. The total issued capital is now 3,836,074 shares.

Calmont—By agreement dated May 1, 1937, has granted an option on 100,000 shares at $1 per share for a period of 3 months.

East Crest—On February 23, 1937, sold a block of 16,300 shares for $5,752, or an average price of 35 cents per share.

Gold Eagle—The May 1 installment, covering 5,661 shares at 80 cents per share under the option agreement dated March 24, 1937, has not been met and the option has been terminated by default.

Prospectors Airways — By agreement dated April 1, 1937, granted options to 3 of the company's mining engineers on 18,000 shares, 12,000 shares and 10,000 shares respectively. Option price is $1 per share, the options to expire April 1, 1942.

Lebel Oro Mines—Has received payment for 37,500 shares at 15 cents per share, balance of option on 50,000 shares granted to an employee of the company, bringing total issued capital to 3,390,929 shares. No further options are outstanding on treasury shares.

Roche Long Lac—Advises that option on 20,000 shares at 10 cents per share, granted July 7, 1936, to an employee of the company has been fully exercised. Total issued capital is now 2,345,005 shares.

Anglo-Huronian has received payment for 134,300 shares at $5 per share under option agreement dated May 6, 1936. This completes the option and there are now no further options outstanding upon the company's treasury shares. Total issued capital is 1,500,000 shares.

Your Mining Stocks

The Financial Post offers to subscribers a special mail service of information on Canadian mining securities. Letters of general interest will be published anonymously.

The Financial Post undertakes to supply *facts* about mines rather than opinions. We will not select lists of stock for investment nor make forecasts. We cannot answer enquiries by telephone or telegraph.

The service is confined strictly to regular subscribers

A three-cent stamp and address label from The Financial Post must be enclosed. Address The Financial Post, 481 University Ave., Toronto.

Martin Bird

Might I trouble you for some information on Martin Bird Gold Mines in view of the prominence of the Larder Lake area and the success of Omega Gold?

Martin Bird Gold Mines was formed to acquire the property of Martin Bird Syndicate in Hearst Township, north of Larder Lake, Ontario. Three levels have been opened up at 125, 250 and 375 feet and a development programme is being carried out on the latter two levels. On the 125-ft. level, 275 feet of ore was indicated averaging $10.75 per ton across four feet. Another vein intersected showed $10.10 across three feet. A third vein, running parallel to the first vein, is stated to carry good values.

On the 250-ft. level, crosscutting has passed through a vein which is believed to be the same as that encountered and drifted on at 125 feet. Where intersected the vein showed a true width of 28 feet of which 19 feet assayed $8 to the ton. This body is expected to average $7 per ton across a 30-foot width. The ore is easily adapted to sorting.

Oriole Mines

I am told that recent developments at Oriole Mines have been encouraging. Through your mining columns will you please give me what information about this property you have on hand?

Oriole Mines reports that it has sufficient money on hand to carry on a development programme at its Kirkland Lake property. It now holds eight claims in Gauthier twp. and has optioned or bought outright 11 additional claims, known as the Oriole and McNamara properties. Of these claims 160 acres have been purchased and 200 acres now under option will definitely be taken up.

Oriole was the property upon which Teck-Hughes Gold carried out a diamond drilling programme under a working option. Teck-Hughes later withdrew. The recent rise in Oriole stock is due to a report that the present operators had secured good results in a drill hole put down during the development programme, and that this showed free gold. Assays have not yet been released, however.

Uchi Gold Mines

I would like you to give me some information on Uchi Gold Mines. Do you regard its prospects as favorable?

Uchi Gold Mines holds 19 claims in Patricia district, Ontario. Previous operators sank a shaft to 110 feet and did a limited amount of drifting. Combined ore lengths opened up totalled 158 feet, with average width of the shoots varying from four to 11 feet. Values ran from $5.77 to $8.57 per ton in gold. High freight costs, and gold at the old price of $20.67 per oz. were given as the reasons for abandoning work.

The Hammell interests have since taken over the property and report that a mineralized zone 1,800 feet long has been indicated during the present diamond drilling programme. Practically all drill holes sunk have shown gold values. Company plans to sink the present shaft to 500 feet, and carry out extensive lateral exploration. A four-compartment production shaft will be put down if underground developments prove satisfactory. Uchi is under capable and experienced sponsorship.

Bidgood Kirkland

I have been hearing a good deal lately about Bidgood Kirkland and would appreciate a brief review of this property.

Bidgood Kirkland Gold Mines Ltd. is developing a producer in Lebel Twp., eastern Kirkland Lake district of Ontario. The mill is operating at present at about 105 tons per day. Plans are being made to install new equipment to bring the capacity to 300 tons daily. Grade averages $13-$14 per ton.

At the annual meeting shareholders were told the company has one year's ore in sight. This is insufficient, and in order to raise ore reserves it will be necessary to carry on development work more rapidly than usual. The company recorded a net deficit for the year of $67,960, this after writing off $3 a ton for deferred development for 1936.

Net profits before provision for depreciation and deferred development were $11,594.

Halliwell Gold

I hold some shares in Halliwell Gold Mines and would like you briefly to outline the prospects of this property for me.

Halliwell Gold is a copper-gold prospect in Beauchastel twp., Quebec. Before doing any extended lateral work the company plans to sink a shaft to 450 feet. From one hole, the company secured the following assays: $5.25, $7.35 and $11.90 in gold over widths of four feet. One section of 4¼ feet in the next hole returned $89.60.

The property is a mile from the power line and the T. & N. O. Railway. While it is still in the early stages of development, it would appear that a sincere effort will be made to prove its possibilities. Mining Projects of Canada, an established development firm, is handling technical direction.

Keyroc Gold—In Rouyn twp., Quebec, has intersected several important veins, says Frank Austin, secretary-treasurer. The hole drilled from the lake has been completed to 228 feet and considerable shearing is said to have been cut in it. At 188 to 189.5 feet a quartz calcite vein showing fine mineralization was cut. Sampling over a drilling width of 3 feet 5 inches gave a value of $2.80.

George Copper-Gold Mining—Did no work on its Tadanac property during 1936, the annual report states. Company owes Consolidated Mining & Smelting $38,792, this amount having been advanced for development.

Perron Gold Mines April Output Large

From Our Own Correspondent

MONTREAL.—Perron Gold Mines reports that durng the last half of April 5,015 tons of ore, assaying $7.20, went to the mill. The mill, which operated at 98.33% of possible running time on an average daily tonnage of 334, produced $35,242 of bullion.

In his progress report, J. P. Norrie, general manager, states that an advance of 39.7 feet was made on the downward extensions of 192 veins. In 324 sub-drift east an advance of 54.4 feet was made on ore of good width and fair grade.

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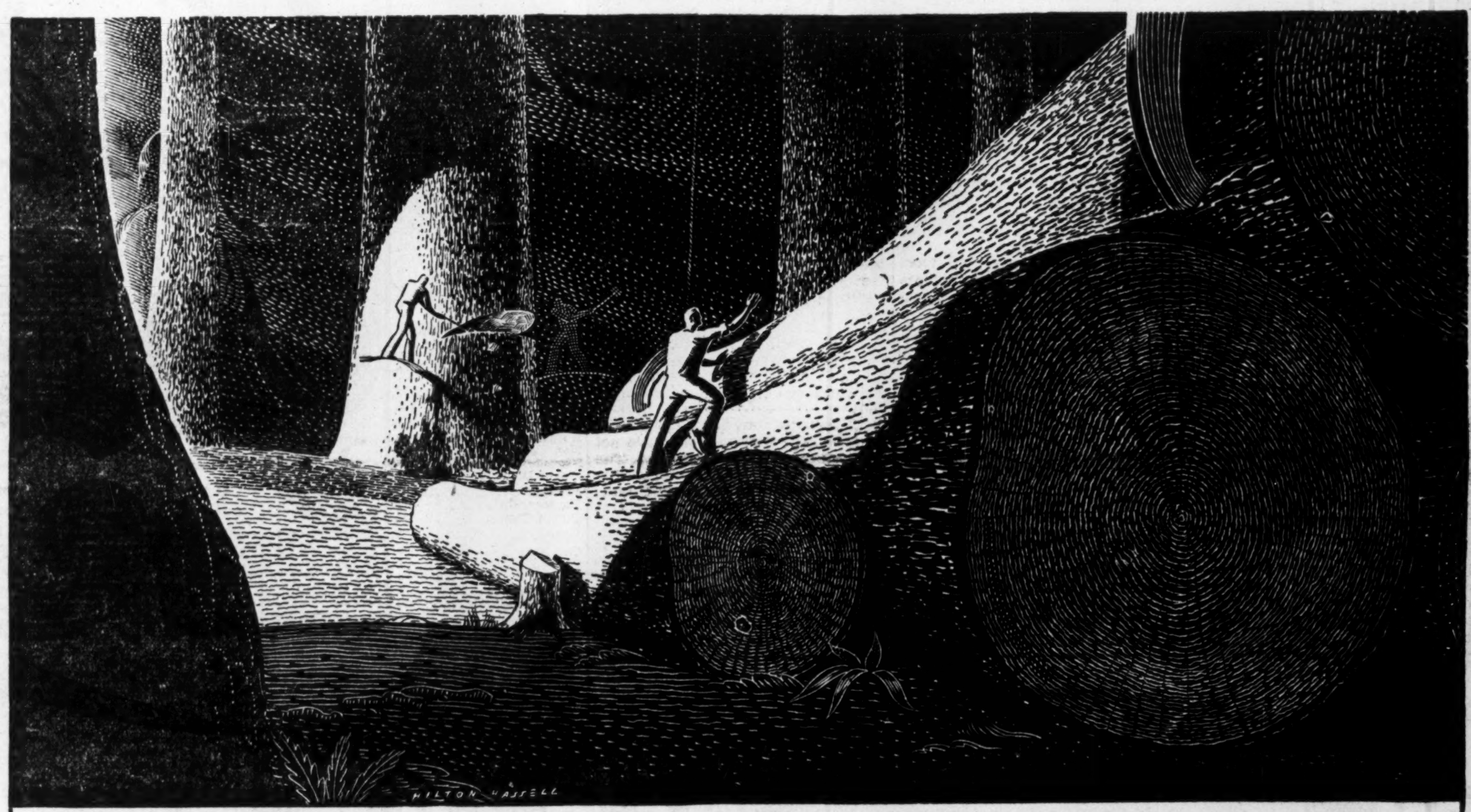
CONTRIBUTING TO CANADIAN PROSPERITY

The following figures of expenditure for 1936 indicate the extent to which The Consolidated Mining and Smelting Company contributed to the prosperity of Canadian industry:—

Wages and Salaries paid	$8,951,724
Freight paid to Canadian Railways	$4,911,421
Supplies purchased from Canadian sources	$4,272,097
Municipal, Provincial and Dominion Taxes	$2,153,670

THE CONSOLIDATED MINING AND SMELTING COMPANY OF CANADA LIMITED

Head Office, Montreal, Que. General Office, Trail, B.C.



BRITISH COLUMBIA

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IN BRITISH COLUMBIA there are 176,910 homes; 95,595 urban; and 81,315 rural.

AND IN BRITISH COLUMBIA THERE ARE

- 116,528 Telephone Subscribers
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- 104,072 Owner Occupied Homes
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CANADA'S MAGAZINES SELL CANADIANS

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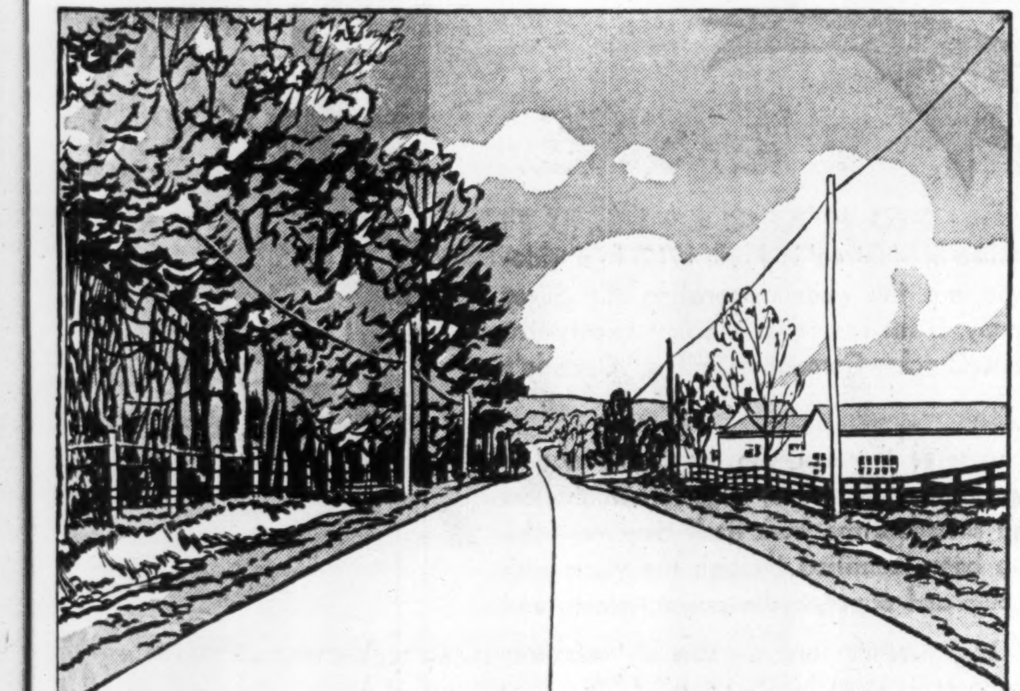

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CANADA CEMENT COMPANY LIMITED

Office: 803 Northern Ontario Building, Toronto

May Withdraw From Canada Silknit Warns

President Says Ontario Plant May Close if Strikes Persist

EXPLAINS SALARIES

Objection to the proportion of the Ontario Silknit Ltd. operating profits paid to executives was taken by shareholders at the annual meeting, May 21, 1937. Operating profits were $296,846 in 1936 and $106,791 was paid as salaries and fees to executive officers.

Questioned about this item, M. H. Epstein, president, stated that the $106,791 was divided among seven officials, all of whom were directors giving their full time to the company's affairs. Mr. Epstein's salary of $26,000 was the largest single item and the rest ranged down to $5,000.

Ontario Silknit operates in Canada, Australia and England, and according to Mr. Epstein, this makes it necessary to have able men in charge of operations in each country. Distance from the head office places each company largely on its own initiative so far as handling its own business is concerned. The chief executive of the Australian company, for example, also acted in a sales capacity and received a salary of $10,000 a year.

Of the amount shown for executive salaries, $50,000 was for Canadian executives, Mr. Epstein said. It was also pointed out that the amount paid in 1937 would be somewhat lower than in 1936.

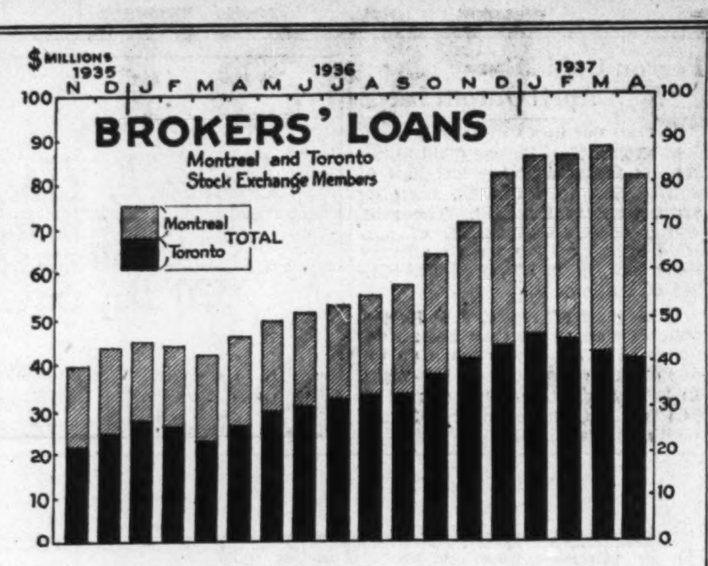
Total volume of business shown by the company in 1936 was about $4 millions. An improvement in operations was noted in the first four months of 1937 before the company ran into labor difficulties. A substantial operating loss in Canada, according to Mr. Epstein, had to be absorbed into the consolidated accounts. The textile trade in Canada, with few exceptions, had not benefitted from generally better business conditions, he said. Competition continued to be very keen and there was very little increase in consumer demand.

Elaborating on the company's attitude toward its labor difficulties, Mr. Epstein said that a recurrence of trouble would make it necessary for the directors to give careful consideration to the advisability of retiring from the Canadian field entirely. Competition from Quebec, where lower wages were paid, was a factor in unprofitable Canadian operations. If the Toronto plant was closed, the company would not be able to compete in the Canadian market because of tariff protection given to the Canadian industry which would prohibit importing from the Australian or English plants into Canada.

In connection with the Ontario Silknit labor difficulties, strikers voted recently to end the strike. No agreement was signed between the workers and the company but conferences will be held between a committee of the workers and company executives. It is understood that the company did not recognize the union as having sole rights to bargain for employees. Striking workers are to be re-engaged as work can be found for them and will be placed on the same status on re-employment, as those who did not strike and the new workers engaged since the start of the strike. It is understood that practically the same terms will be offered as were in force before the strike.

News of financing in Australia was given shareholders at the annual meeting by Mr. Epstein. The Australian subsidiary, Australia Silknit Ltd., has made arrangements to sell to Australian interests an issue of 60,000 preference shares of £1 each. In connection with this financing the Canadian company is also selling 25% of its common stock in Australia Silknit, Ltd., for $150,000. This financing will eventually enable the Australian company to remit $260,000 to the Canadian company, according to Mr. Epstein. A cash dividend of £8,000 will be paid and the present current debt of Australia Silknit, Ltd., to Ontario Silknit, of £18,000 can be liquidated. The balance of the funds to be raised will be used to strengthen the working capital of Australia Silknit, Ltd.

No action was taken with regard to payment of interest, due April 30, 1937, on the income funding rights because of the weakened current position of the Canadian company. It is the company's intention, however, to pay this interest as soon as the cash proceeds of the Australian financing is received.



EFFECTS OF LIQUIDATION

The combined total of borrowings of Montreal and Toronto stock exchange members declined to $81.3 millions at April 30, compared with $88.1 millions at March 31. At April 30, 1936, the combined total was $46.1 millions. The reduction of some $6.8 millions in April reflects liquidation of speculative holdings during the month, a normal occurrence when prices of stocks are falling. The decline of public enthusiasm for common stocks which has carried into May is expected to result in some further reduction in the total borrowings this month.

Southam Estate

Southrich Securities Ltd., Private Holding Company, is 53% of Total—Estate Valued at $941,095

Richard Southam, late president of Southam Press Toronto Ltd., left an estate of $941,095, over half of which consists of investments in Southrich Securities Ltd., a private holding company.

Southrich Securities Ltd. has its head office at Campbell Island, Parry Sound district, Ontario. The 5,000 shares of 6% preferred stock of $100 par value, listed among the assets of the Southam estate, are valued at $100 a share, making a total of $500,000. In addition to this, 1,005 common shares are given a value of $8.97 a share, a total of $9,015. Out of the total estate, $509,015, or over 53%, is in this private holding company, particulars on which are not available.

The late Mr. Southam, in addition to being president of Southam Press Toronto Ltd., was a director of Southam Press Montreal, Ltd., William Southam & Sons Ltd., Southam Publishing Co., Spectator Printing Co. and The Continental Life Insurance Co.

Most of his interests were in the various Southam companies. Among his holdings of stocks and bonds, Southam Securities Ltd., Montreal, is the second largest item. The seven shares of Southam Securities Ltd. shown are given a value of $4,917 a share, or a total of $34,421.

A Lot of Life Insurance

A large holder of life insurance, Mr. Southam made use of this means to provide for the succession duties payable on his estate. Policies with a total face value of $215,000 are payable to the estate in trust for the Ontario provincial treasurer. After deducting policy loans and allowing for accumulated profits, the estimated amount payable under these policies is given as $187,081. Total premiums paid on this insurance were $126,460.

Other life insurance policies included in the estate have a face value of $151,000. After allowing for policy loans and profits, a balance of $117,309 is included in the estate inventory.

The larger policies carried by Mr. Southam include the following:

Company:	Amount
Canada Life	$125,000
New York Life	75,000
Confederation Life	65,000
Sun Life	50,000
Mutual Life	13,000
North American	10,000
Travelers	10,000

Only important industrial stocks shown in the estate are 45 shares of class B stock of Loblaw Groceterias, 90 shares of de Havilland Aircraft preferred and five shares of Hamilton Bridge preferred, all carried at approximately current market values.

Judging from his estate, Mr. Southam's ventures in mining speculation have not been very successful. Ten units of Gachin Gold Syndicate are shown at $10 per unit but this is the only mining security given any value. He had shares of Sawmill Lake Gold Mining Co., which surrendered its charter years ago; Lorraine Trout Lake Mines, which has been inactive since 1929; and one firm on which no record can be found, Dardanelles Mining & Smelting Co.

Few Bonds Shown

Bonds and debentures included in the estate are only valued at $1,485, but have a principal value of $5,000. Heaviest depreciation is shown in a $1,000 6% bond of the Eglinton Hunt and Country Club, Toronto, due April 1, 1949, on which no interest has been paid since Oct. 1, 1931. On a $500 bond of Victoria Skating and Curling Club no interest has been paid since 1931 and a nominal value of $1 is assigned to this item.

Mr. Southam had at one time or another been actively interested in many clubs. Included in his estate are stocks or bonds of the following: Carlton Club, Toronto, one share valued at $35 and a $100 bond valued at $52.40; Caledon Mountain & Trout Club, one share at $100 and a $100 bond at $51.90; Lambton Golf & Country Club, two shares at $200 each; Ontario Jockey Club, one share at $750; Rosedale Golf Club, 300 shares at $1 each; Scarboro Golf & Country Club, one share at $1; Toronto Winter Club Ltd., five shares at $10 a share; Toronto-Victoria Curling & Bowling Club, 500 shares which are not given any value; York Club, Toronto, $1,000 bond, 5% due Jan. 1, 1950, valued at $517; Ladies Golf & Tennis Club, Toronto, $1,000 bond, 5% due May 15, 1945, valued at $722.

Paramount Plans Changes in Stock

Shareholders' Meeting Also to Consider Zukor Contract

Shareholders of Paramount Pictures Inc., at their annual meeting on June 15, are to consider a proposal to increase the authorized amount of common stock from 4,500,000 to 6,000,000 shares of $1 each. At April 3, 1937, there were 2,330,449 common shares issued. Shareholders will also be asked to approve reduction of the authorized amounts of first and second preferred stock, part of which has been converted into common.

Stanton Griffis, chairman of the executive committee, comments that the company has no plans for issuing additional common stock at present but that the increase in authorized capital would place the corporation in a position to do so in the future for any corporate purpose the directors deem to be of benefit to the company.

Shareholders will also be asked to authorize an agreement with Adolph Zukor, chairman of the board, which gives Mr. Zukor full charge of the production department from Aug. 1, 1936, to Dec. 31, 1937, at a salary of $3,000 a week plus 7½% of profits up to $2.5 millions and 5% on profits above that figure during each of the annual periods between Aug. 1, 1936, and July 31, 1938.

Directors also seek authority to renew the Zukor agreement for a period not exceeding three years from Jan. 1, 1938.

Canadian Oil Production Shows Increase in 1936

Oil output of the United States was 10.2% higher during 1936 than in 1935, figures released by the economics and statistics branch of the United States Bureau of Mines show. During the year Canada contributed 0.1%, or 1,498,000 barrels, to world petroleum production, as compared with 1,447,000 barrels in 1935.

British Empire production in 1936 rose to 28,762,000 barrels, as compared with 27,725,000 barrels in 1935. This increase was due mainly to a rise of 1,566,000 barrels in the output from Trinidad, which last year produced 13,237,000 barrels. British India and Canada yielded larger quantities in 1936 as compared with 1935, but output from British Borneo was lower.

$14 Per H.P. Net Revenue For Quebec Power Plants

Central electric stations in Quebec received an average net revenue of about $14 per h.p. on primary power. This rate compared favorably with that for any other area on the continent.

Newsprint Production In South Said Assured

From Our Own Correspondent

MONTREAL. — Southern newsprint paper manufacture is assured, according to reports made at the Southern Newspaper Publishers Association meeting held in Hot Springs, Ark., this week.

James G. Stahlman, publisher of the Nashville Banner and recently elected president of the S.N.P.A., predicts a huge industrial development around southern pine growth in the next 15 years.

"An East Texas mill will be in operation in 1938 and in full production in Jan., 1939," Stahlman announced. "This industry is not simply coming—it is here."

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The part of Canada's Biggest Cook has been and is the feeding and caring for men away from home—in all localities, no matter how remote from supplies—in all weather—at all times. On this organization falls the responsibility for keeping them healthy, contented and keen and relieving busy executives of the worrisome details of camp management—enabling "top men" to concentrate their efforts on the more important work of pushing development ahead.

"Thumbing back the pages of our record, it is most obvious that whatever success we have achieved has been due, in large part, to two outstanding factors: the unswerving loyalty of our staff and the foresight and courage of the men who conceived, planned and executed the developments in which we have been proud to participate."

F. C. McCracken.

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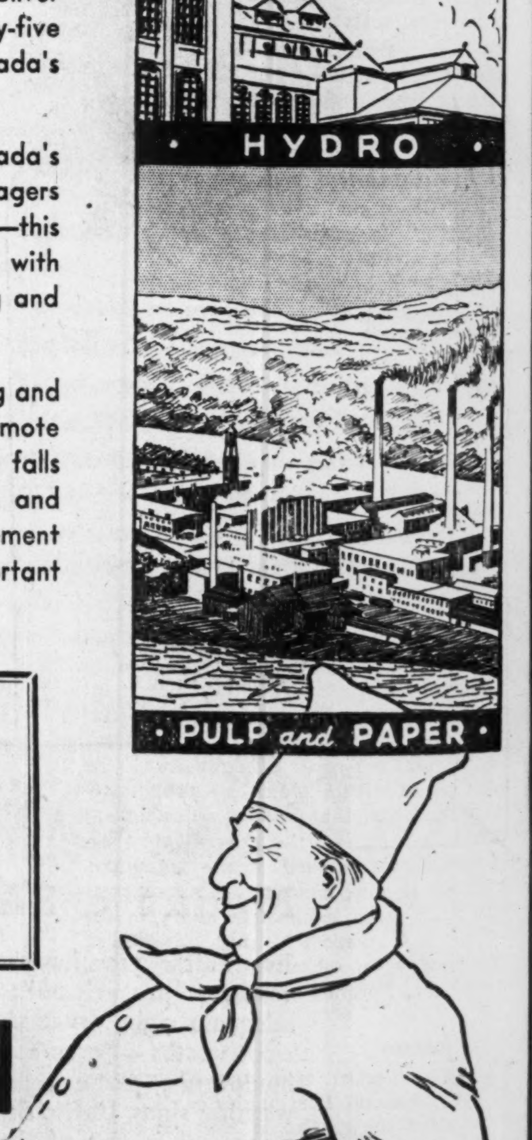

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Industry's Bid for Labor Peace

A Common Goal

As the tide of Canada's industry flows back from stagnancy to normal levels of freshness and activity, its waters are being agitated by powerful eddies and cross currents. An upsurge of labor restlessness seeks to influence its course.

Canada's employers face various alternatives. The strength of their influence may be exerted jointly with, or ahead of, or against the force of labor's bid to share in directing the tide. Upon capital as much as on labor rests a choice between a warring clash of hostile elements, or peaceful confluence toward a common goal.

To learn how these leaders were interpreting current developments and how they were seeking to adjust industry to them, The Financial Post made contact with representative executives from coast to coast. The introductory report on that survey is presented in the accompanying article.

PEACE

WAR

Employers in Canada Seek Formula to Stabilize Relations With Labor

By GUY S. CUNLIFFE

DETERMINED to prevent hostility and unrest among their workers, Canadian employers have turned their best energies toward evolving formulas for industrial peace.

To the currently vexed problem of employee relations, with its arresting overtones of labor restlessness and unionization drives, employers in all parts of the country have turned their most earnest consideration.

The question has been brought into sharp focus for industry and the public alike, by the C.I.O. bid for Canadian strength, by the general acceleration of union activity, and by the restless stirring of workers seeking increased benefits and security from returning prosperity.

Most Canadian industrial leaders see their task as more than halting the campaigns of the C.I.O. and other unions, more than pacification of workers' demands for greater bargaining power and more generous rewards. For the most part they are seeking a stable, all-inclusive policy which will bring justice and satisfaction to the relations between industry and workers as a whole.

Dominant Trends

SO FAR, development of such a policy is in a nebulous, transitional stage. Among those who have arrived at definite conclusions, views vary widely according to the section of the country involved, the nature of the industry, the circumstances affecting individual plants, and the personality of the executives.

There appear to be, however, certain dominant trends in the thought of employers studying the problem. These are:

1.—The ideal basis of labor relations should be one of industrial co-operation and partnership. Both industry and workers should be left free to work out such a basis by whatever means are best adapted to the particular plant or industry involved.

2.—Without arbitrarily rejecting unionism as a possible basis of satisfactory relations under certain conditions, there is no justification for wholesale scrapping of the plant council and employee representation schemes adopted by many companies. Rather, such systems should be improved and extended where feasible.

3.—If union organization is to make a genuine claim for consideration of both industry and workers, steps should be taken to impose a measure of responsibility and control on union bodies. Particularly needed in the view of many executives is machinery to enable workers to make a free choice between unionism, plant councils or any other method of dealing with employers. Also desired is a curb on unjustified and unscrupulously promoted strikes.

4.—Governmental action is necessary to set up such stabilizing influences, and to give both labor and industry equal protection.

Seek Fundamental Solution

EVIDENCE of the widespread attempt of employers to grapple with the general problem, to attain a solution that will reach to the fundamental economic and social roots of the question, is one of the chief products of a survey conducted in recent weeks by The Financial Post.

To relate the enquiry to current developments and to crystallize viewpoints in the light of present concern over pressure for unionization, employers were asked whether they would deal with the C.I.O. or with other unions, and on what basis. It was also sought to ascertain whether industry saw the need of some form of regulation of unions in their dealings with both workers and employers. The survey was nation-wide in scope and covered a variety of industries.

This study takes on particular interest in the absence of any official pronouncement from the Canadian Manufacturers' Association, representative body of the country's industry. Officers and executives of the Association have withheld such a pronouncement in the belief that on such an important and delicate question, the general membership should be consulted. In the meantime, the officers and the industrial relations committee have given exhaustive study to the situation, and a report for the guidance of members may be submitted at the C.M.A. convention in Toronto, on June 1.

No Set Views

THE cross section of opinion obtained by The Financial Post indicates that any discussion of the matter at the convention will be diversified and difficult to embody in an all-inclusive policy. A wide variety of opinions, and absence to a considerable degree of any set view, are reflected in the expressions obtained. Replies to the Post questionnaire indicated that industry is not committed to any single or rigid method of co-operation with employees. Employers seem willing to accept any scheme (union, plant council, employee representation, or direct individual dealings) best adapted to the circumstances of each plant and industry, and best serving the joint interest of employers, workers and the public.

Opposition to C.I.O.

THE one question on which the replies were in accord was the C.I.O. Toward it, all employers were apprehensive or definitely hostile. Nearly 75% of the answers reflected objections to C.I.O. methods and motives, and questioned the desirability of its obtaining a foothold in this country. The remainder by no means approved the C.I.O., but were either indefinite or omitted reference to it.

The survey showed antipathy to dealing with unions of a legitimate and responsible character is far from being as deep rooted or as extensive as is generally supposed. Over 50% of those replying intimated a willingness to deal with unions if it could be dependably demonstrated that all or most of their employees desired union affiliation and representation. Some of these, of course, are already dealing with unions on a more or less satisfactory basis.

Less than 10% display specific hostility to unions as such, while the remaining 40% were indefinite or appeared to be open minded on the subject.

At the same time, only 20% conceded the principle that a union backed by a majority of employees should speak for all workers in a plant, and 50% took a definite stand against this policy.

Union Regulation

VIEWS given the Post reflected absence of any general or crystallized feeling as to the need of regulations to ensure legitimate, responsible operations of unions. The majority doubt the necessity for such regulation or are indefinite on the subject, but there is apparent a nucleus of clear-cut belief that some form of regulation is needed.

One of the principal regulations which some employers believe desirable is a dependable method of determining whether or not employees desire unionization. There is also a growing opinion favoring adaptation to Canadian requirements of union regulations in England, where union registration is provided for, though not compelled. English unions are also required to submit to official checking of their funds and accounts, and general strikes are outlawed.

In most cases, this support of union regulation is predicated on a belief that unionization of workers and pressure on employers to deal with unions, is likely to spread. The extension of unionism may come, such men foresee, either through legislative encouragement such as has been granted in Nova Scotia or from the increasing momentum of union organizing activities. In any event, they feel that employers who may be forced or persuaded to enter into relations with unions, should have some assurance that employees want a union and that they are dealing with a responsible body.

Rights and Obligations

ENJOYMENT of rights by unions or any other bodies should bring with it acceptance of responsibilities and obligations," one executive told The Financial Post.

Even those employers anticipating an eventual union basis of employee relations, nevertheless retained a basic preference for dealing directly with workers through a plant council or employee representation plan. This preference was not based on determination to hold the whip hand over employees, as usually charged by union organizers when denouncing "company unions," but upon a conviction that such direct relations are most productive of mutual satisfaction, confidence and co-operative effort.

A typical expression of this viewpoint came from Harold Crabtree, president of Howard Smith Paper Mills, Ltd., Montreal. He said:

"It has been the policy of this company to deal only with its own employees, either individually or through a committee of employees appointed by them, in respect to all questions of wages and working conditions. By this means we have always been able to arrive at a mutually satisfactory basis. We see no reason, therefore, for abandoning this method of approach for some other."

Nova Scotia Law

IN NOVA SCOTIA, the new union recognition statute is regarded by employers as leaving them no freedom to maintain this preference for direct dealings, or to choose between that and union contracts. For example, J. H. Winfield of Halifax, president of the Maritime Telegraph and Telephone Co., writes to the Post:

"My own view has always been that an employer should deal with employee representatives of his own workers, regardless of whether they were chosen by a union or otherwise; but not with the union as an organization. Since the passing of the legislation above referred to, we are compelled to deal with representatives of unions, providing such union represents a majority of workers."

An executive who preferred not to be quoted by name, but who heads a large Maritime enterprise, sees definite weaknesses in the Nova Scotia law, quite apart from the compulsory union recognition. His chief objections are that it provides for the check-off system under which employers may be required to deduct union dues from workers' pay and turn it over to the unions; that there is no machinery provided for determining whether a union has a majority of workers enrolled; and that there is no supervision set up to ensure responsibility and proper administration of unions.

Plan at Smelter

TO SUPPORT their contention that unions are not essential to maintain ideal employer-worker relations, several commentators cited the outstanding success of the employee council plan in operation at the Consolidated Mining and Smelting plants in British Columbia. There the problems of both men and management are worked out jointly in an atmosphere of mutual trust and co-operation, to the apparent satisfaction of both sides. The current welfare and future security of the men have been protected by a system of bonuses related to market prices for metals, by a pension scheme, distribution of company stock, and other arrangements.

Perceptible among Canadian executives is a feeling that the plant council method is most desirable because it fosters the collaboration of industry and labor for their joint benefit. This is preferable, it is believed, to merely a contractual relation between parties.

Taylor Formula

THIS fundamental conviction is responsible for the adverse attitude taken by a definite though by no means overwhelming majority of executives toward the so-called "Taylor formula." This is the 100-word definition of labor relations reputedly written last summer by Myron C. Taylor, head of the U. S. Steel Corp., and used as a basis of his agreement this year with the C.I.O.

The formula read:

"The company recognizes the right of its employees to bargain collectively through representatives freely chosen by them without dictation, coercion or intimidation in any form from any source. It will negotiate and contract with the representatives of any group of its employees so chosen, and with any organization as the representatives of its members, subject to the recognition of the principle that the right to work is not dependent on membership or non-membership in any organization, and subject to the right of every employee freely to bargain in such manner and through such representatives, if any, as he chooses."

Canadian employers found themselves quite in accord with the Taylor declaration against intimidation and the closed shop, but not all of them are prepared, the Post survey revealed, to accept Mr. Taylor's principle of bargaining with "any organization as the representative of its members." While about 40% of the executives who registered their views were willing to support the formula in its entirety, the rest voted against being committed to deal with "any organization" regardless of desirability or the character of the organization involved.

General Motors Settlement

OPINION was divided about equally as to the formula by which settlement of the General Motors of Canada strike in Oshawa was reached. This involved negotiation with employee representatives selected by a union, but not with the union as an organization or with outside union agents. Those unfavorable to this basis of employee relations contended that it was an ambiguous and inconclusive compromise partly because it was a departure from the direct dealing basis.

The observation of one executive, who asked that his name be withheld, was as follows:

"Our understanding is that the agreement was reached by Local 222 of the United Automobile Workers. It is quite true that Messrs. Thompson and Martin (C.I.O. officials) did not sit in at the final signing of the agreement. The local branch of the American union, however, of which Martin is president, actually carried out the negotiations, headed by an employee representative as president of Local 222.

"Undoubtedly the local of the United Automobile Workers took its instructions from the parent organization. As it in turn is affiliated with the C.I.O., it seems apparent that General Motors actually dealt with the United Automobile Workers, and by projection with the C.I.O."

No Compromise

THE same industrialist joined with the majority of those who answered the Post's enquiries, in asking that his name and that of his company be not attached to any publication of his views.

His summary of the situation now confronting Canadian industry carries considerable weight and significance, and is as follows:

"Many industrialists in their anxiety to avoid a strike, and all the hardship for shareholder and worker alike which such action entails, would make many concessions which probably would not carry their best judgment. On the other hand, we feel that the majority of Canadian industrialists would be prepared to face a strike rather than compromise on any of the following points:

"1. Recognition of the C.I.O. as sole bargaining agency for its workers.

"2. Deduction of union dues by the company from the workers' pay envelopes.

"3. Challenging the principle that the right to work is not dependent upon membership or non-membership in any union organization."

The Voice of Industry

In an effort to determine the views of leading industrial executives on the basis of relations with workers, on unionism and the C.I.O., and related subjects, The Financial Post sounded out by letter and by interview a number of company heads in various parts of the Dominion. Below are extracts from the expressions obtained.

In most cases those replying preferred to have their names and those of their companies withheld from publication, for fear that whatever they said might be misconstrued or controversy provoked with their workers and union organizers. Nevertheless the survey produced an illuminating cross section of opinion from outstanding industrialists on the currently pressing problem of labor relations.

Following are highlights from among the comments obtained:

* * * *

J. H. Tapley, managing director, Swift Canadian Co.—"Our policy has always been to consider our employees as men and women—not just workers—and we have tried for many years to merit the confidence and trust of all members of our organization, many of whom are shareholders. An employee representation plan was started as an experiment 18 years ago, and is now extended to all meat packing plants."

* * * *

A. O. Dawson, president, Canadian Cottons Ltd.—"It is difficult if not impossible for any business organization to have ultimate success unless sympathy and understanding exist between the management and the workers. If those of us who believe this should work to this end, I am sure that fewer troubles will arise between labor and capital in the days that are to come.

"We have never objected to our workers joining a union . . . If our employees should prefer to speak through a union rather than approach us direct, we would have no objection. But if we felt that they were forced into a union such as the C.I.O. by selfish interests, we would have to consider seriously just what our attitude would be."

* * * *

The Colgate-Palmolive-Peet Co.—"In the final analysis, the interests of the company and its employees are mutual and inseparable. The underlying policy has been constant, but the supporting policies upon specific points in the company's relations with its employees, have undergone change along with the general thought and opinion of the time.

"The company's policy is stated to be as follows: 1. To assure fair and just treatment to every employee, with opportunity for submission of all grievances for adjustment, either personally or through representatives of their own choosing. 2. To guarantee that there will be no discrimination by the company against any employee because of affiliation or membership in any church, lodge, fraternity or labor organization. 3. To be ready at all times to meet and deal with employees individually or in groups or through representatives of their own choosing who are duly empowered to speak for them."

* * * *

Edward Anderson, K.C., president, Winnipeg Electric Co.—"So long as the C.I.O. uses illegal or disorderly methods, we would object to dealing with its agents. I feel very strongly that the C.I.O. methods are contrary to our democratic principles, and that this organization should either be prevented from invading Canada or that its powers should be definitely limited by law . . . We will not agree to a closed shop, and recognize the principle that the right to work should not be dependent on membership or non-membership in any organization."

* * * *

From the head of an important unit in Canadian heavy industry—"The problem in Canada is not one of union vs. non-union methods. The present is no time for fine theories of labor relationship. If we are to have a separate development, we must resist the domination of our industrial life by external forces, selfishly seeking power in their own interests, who would not hesitate to exert that control to our disadvantage."

* * * *

From the head of a large plant in Quebec—"In view of the political character of labor union activities and the threat they represent to our present form of Government, it is necessary to subject them to some form of Government regulation. . . . In my opinion, there is no reason why our established Government institutions cannot serve every legitimate purpose in the interests of labor, presumed to be served by labor unions."

* * * *

From the head of a large Pacific Coast enterprise—"As head of a company which has recognized union organization for over 30 years, I do not see anything to object to in the formula of Mr. Myron C. Taylor, chairman of the U.S. Steel Corp." (See article elsewhere in this issue summarizing views obtained.) "If the formula followed in the General Motors settlement at Oshawa insists on the representative of any group of employees being an employee himself, I can imagine many situations arising where such a condition would not be satisfactory to the employees. It would handicap them in presenting their case to the employers.

"It might be desirable in Canada to restrict the representation of employees to representatives of Canadian unions or to Canadian branches of international unions."

Life Insurance

Confederation Life May Extend to India

Will Start Operations Before End of Year if Legislative Authority Can be Obtained — Egyptian Office Opened

In line with its policy of development abroad, Confederation Life Association has opened a new agency in Egypt, and before this year draws to a close may also be underwriting some of India's rajahs.

Egyptian operations are already under way. Those in India are contingent on legislation which is to be considered this fall. Confederation Life will make the fourth Canadian life insurance company to enter these countries. Sun Life, Manufacturers Life and Crown Life are already on the field.

Expansion of the company's operating field is the outcome of a 4½ months' business trip by the president, C. S. Macdonald, and the general superintendent of agencies C. D. Devlin. At the beginning of this year, these gentlemen set out on a tour of inspection to include Shanghai, Hong Kong, Singapore and Hawaii, in line with the policy that each branch should be visited by senior officials of the company. It was suggested that while on the rounds, they should seek new worlds to conquer, with Egypt and India the centres of interest.

Operate Through Agency

Egyptian business will be handled through American Foreign Insurance Association, of New York. This agency now looks after the business of some 15 of the leading fire and casualty insurance companies operating in Egypt, although Confederation is its first contact with life insurance in that land. Confederation is already closely associated with American Foreign through its business in Shanghai and Straits Settlements. As is to be expected, much of the business will be written through native agents. Most of it will be restricted to Cairo and Alexandria.

Whether or not the company will embark on Indian business hinges on the provisions included in the new insurance bill which the Indian government will consider this fall. It is expected that the measure will be introduced in September and that a decision will be reached by the following month. Apparently there are some clauses, particularly in respect to investments, which the company does not like. It is confident, however, that things will be straightened out and that the law will be fair in every respect.

Selection of Business

There are about 15 English companies now in the Indian field. Six of these do their own underwriting. They are selecting business from the larger centres where sanitation and medical services are available. Underwriting in some of the outlying villages has proved costly. If Confederation Life enters the field, it will probably be on a similar basis. Operations will probably be confined to six or ten centres, and business selected on a quality basis. It is likely that they would establish their own branches in Bombay and Calcutta, and conclude some working arrangement with American Foreign Insurance Association.

Business of the Confederation in Asia has been satisfactory, it is understood. China, where operations commenced about five years ago, purchased about $1,750,000 of new insurance from the company last year. Business in force in that country now amounts to $5 millions and is advancing so rapidly that China, Cuba, British Columbia and one of the Toronto agencies are waging a stiff battle this year for first honors in the production of new business.

Income Plans Popular

In China, policies are largely on the "foreign" population — foreign, that is to the Chinese. Largest percentage of sales is made in retirement income policies to American and English residents. These are dated to commence at age 55 or 60 rather than the more customary 60 and 65 year mark here.

In Egypt, the English-speaking population is not as large, but there is a considerable number of Europeans—Swiss, German, and Dutch, particularly. It is largely among this class, and with the better class natives that the Confederation hopes to do business. In India, the proportion of native business would probably be substantially greater, especially in centres such as Bombay.

Improved business was indicated in other countries visited by the company officials. New business written in Great Britain last year amounted to $6.5 millions, apart from a substantial volume of annuity business. Business in force in the Old Country now stands at $65 millions. There is no change in the situation in Mexico, despite conflicting rumors, and the company still confines operations there to renewing business already in force. This sum now amounts to about $11 millions.

Mr. Macdonald and Mr. Devlin found foreign government authorities, and the people generally, very sympathetic to Canadian insurance companies. Some talk of the disturbances in connection with cancellation of power contracts and debt adjustments was heard, but apparently these have had no great effect on the credit standing abroad of Canadian financial institutions. Mr. Devlin says: "People are wondering what is safe, particularly in the event of war. And they believe Canada offers one of the safest depositaries of any place in the world."

Insurance Inklings

D. ALLEN has been appointed acting manager of the Vancouver office of Massie & Renwick, Ltd.

L. W. LEMIEUX, for some years secretary of J. E. Clement, Inc., has been appointed treasurer of the Fire Insurance Co. of Canada.

The Provident Assurance Co. has applied to the Quebec legislature for permission to reduce authorized capital.

Field changes announced by the London Life are as follows:

A. G. WALKER to be superintendent at Montreal, N.D.G., office.

A. D. STACKHOUSE to be superintendent at Ottawa.

R. S. GRUNDY, formerly of Toronto Junction, to be superintendent in Ottawa.

C. E. CROCKER to be branch secretary at Sudbury.

Superintendent F. E. MARSHALL, formerly of Halifax, to St. Catharines district.

Army Employed By U.S. Insurers

A recently compiled report by the United States Bureau of Census shows that 69,354 insurance organizations operated in that country in 1935, employing an average of 389,519 persons, to whom they paid $676.7 millions. The tabulations include 4,428 carriers, 8,302 branch offices and 56,624 agencies.

Home offices of 1,917 carriers, 43% of the total, are in six states—Illinois, New York, Pennsylvania, Wisconsin, Ohio and Texas.

Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp and address label from The Financial Post should be enclosed.

Insurance Clubs

I belong to an insurance club called Co-operative Family Protective Society, St. Victor, Sask. I pay annual dues of $5 and an additional $1 whenever notified of the death of a fellow member. Purpose of the club is to collect $1 from 2,500 members, paying that amount to the family of members who die.

Early this year, the Society introduced a clause stating that from now on cheques would be made out to beneficiaries only for the amount actually taken in. I would like to know if I should continue membership in this organization. Is this kind of insurance sound? What is the attitude taken by the Government?

The Co-operative Family Protective Society of St. Victor, Sask., is one of four assessment clubs now operating in that province.

The "assessment club" life insurance plan is one of the earliest and crudest forms of life insurance known. It first appeared early in the 18th century, but popularity dwindled with the advent of scientific actuarial methods of insurance, and relatively few now operate. For perhaps 15 or 20 years, each club finds hundreds of men and women who are both glad and anxious to secure a few thousand dollars' worth of protection for a nominal amount, plus what appears, for a time, to be a minor feature—an additional assessment whenever a member dies.

Fundamental weakness of the clubs is that they are not actuarially sound. As long as new young members can be persuaded to join, the organization is able to build up a substantial income which considerably more than offsets the mortality expenses. The latter are comparatively light for the first 15 or 20 years. It is in the later years of existence that mortality takes its toll and actuarial laws begin to work with disastrous financial results to those members of the society still unfortunate enough to be alive.

For some years the federal department of insurance and the insurance departments of most provinces in Canada have recognized the dangers of the assessment club plan of insurance and a number have taken definite steps to regulate their activities. The Government of Saskatchewan has intimated that it will not grant concessions to these clubs in legalizing them, as under no circumstances will new clubs be allowed to operate.

Life Policy Sales Higher

Manitoba Only Province Failing to Show Gain for April

Sales of life insurance in Canada and Newfoundland during April were 14% higher than in the same month a year ago.

Aggregate new business for the month was $32.9 millions, which compares with $32 millions in March and $28.9 millions in April, 1936. All provinces except Manitoba reported greater volume than in the previous month, and all but Manitoba and Alberta greater than in 1936.

Ontario, with sales amounting to almost $15 millions, was up 15% over a year ago. Quebec sales advanced 12%. In the Maritimes, gains ranged from 12% in New Brunswick to over 60% in Prince Edward Island. Declines in Alberta and Manitoba were slight, and the other Prairie Province, Saskatchewan, recorded a gain of 30%. British Columbia sales were up 24%.

Cumulative Total

Improvement in April brings total sales this year well ahead of 1936. The cumulative total for the first four months amounts to $123.6 millions, or $1.6 millions above a year ago. With the exception of January, each month this year has registered improvement over the same month last year.

Comparative figures, based on returns to the Life Insurance Sales Research Bureau by 18 companies having 89% of the total insurance in force are as follows. The figures are exclusive of group insurance, annuities, revivals, etc.

ORDINARY LIFE SALES*
(a) Sales by Months, 1934-1937
($ 000's omitted)

	1934	1935	1936	1937
Jan.	27,718	32,988	33,347	27,699
Feb.	29,036	28,716	28,834	30,604
March	32,564	31,418	30,552	31,998
April	33,296	28,900	28,876	32,919
May	33,134	27,423	28,411	
June	32,277	32,112	31,247	
July	33,951	32,155	31,396	
Aug.	26,650	26,854	23,547	
Sept.	26,123	26,696	26,090	
Oct.	31,342	30,416	29,402	
Nov.	35,863	35,158	36,710	
Dec.	27,691	36,550	34,146	

*Based on 19 companies in 1934 and 1935 and on 18 companies in 1936 and 1937.

(b) Sales by Areas
($ 000's omitted)

	April 1937 $	March 1937 $	April 1936 $
Alberta	1,170	1,133	1,221
British Columbia	2,650	2,387	2,145
Manitoba	1,454	1,659	1,488
New Brunswick	824	754	734
Nova Scotia	1,175	1,044	979
Ontario	14,859	14,661	12,891
Prince Ed. Island	130	118	78
Quebec	9,137	9,044	8,163
Saskatchewan	1,178	941	912
Newfoundland	342	257	275

Regent Knitting Sales Advance

From Our Own Correspondent

MONTREAL.—Net sales of Regent Knitting Mills for the four months ended April 30, 1937, show an increase of 15.5% over the same period last year, according to a statement released by C. G. deTonnancour, president of the company. Plant activity during the last four months showed an increase of 22.5%.

Net profits for the period "showed a very substantial increase over last year" and the president states directors are optimistic as to results of operations for the balance of the year.

Can. Theatre Puts Out Plan

Seeks Further Concession from First Mortgage Bondholders

From Our Own Correspondent

MONTREAL.—Canadian Theatre Co., owning the Princess Theatre in Montreal, has called a meeting of the holders of the 6½% first mortgage bonds for June 16 to consider a number of proposals relating to their bonds.

Three years ago bondholders approved a proposal reducing the interest rate to 5% between Sept. 1, 1934, and March 1, 1937, as well as waiving and cancelling sinking fund provisions for the three years ended March 1, 1937.

Old Plan Expires

These concessions have now expired and in the ordinary course of events the semi-annual interest due Sept. 1 next would be payable at the rate of 6½% per annum and semi-annual sinking fund of $7,500 will become due.

At next month's meeting of the bondholders, the company will submit the following proposal:

Extension of the maturity date from Sept. 1, 1941, to Sept. 1, 1951;

Reduction in annual interest rate, from March 1, 1937, to maturity from 6½% to 5%;

Current sinking fund provisions to be cancelled—sinking fund to be paid annually commencing March 1, 1942, dependent upon earnings of preceding years:

Abrogation of gold clause, so that interest and principal shall be payable only in lawful money of Canada.

Will Plan Sale Of Fresh Cod For Maritimes

Ottawa Project Aims at Cutting Down Supply of Pickled Fish

PROCESSING PLANT

From Our Own Correspondent

OTTAWA. — Announcement by Hon. J. E. Michaud, federal minister of fisheries, of comprehensive plans for the reorganization of a major section of the fishing industry of the Maritime Provinces is due almost immediately.

Departmental experts are working on the scheme and are said to have very nearly surmounted what has been their chief difficulty, namely, securing agreement among the fishing interests themselves upon a programme which, instead of being based upon temporary expediency and hand-outs for all from the federal treasury, will adopt a long-range policy and seek to place the industry in a sound position through the years to come.

In order to achieve this latter aim, the federal policy is likely to prove disappointing to Maritimers who saw, in the $500,000 which Parliament voted for the re-establishment of the Atlantic fishermen, their own exclusive allotment of treasury "gravy." The money will go, it may be forecast, not to individuals, but to the industry as a whole to furnish it with the equipment which it needs if it is to stay abreast of the times.

Changed Market

As Hon. Mr. Michaud is understood to attribute difficulties largely to the fact that Atlantic coast fishermen have lost certain foreign markets for a highly specialized product, and have failed to adapt their product to the new markets upon which they now must depend. That highly specialized product is dried or pickled cod. This commodity used to go all over Europe, to Italy, Greece, Spain, and Portugal. Now these countries either have their own fishing fleets, using boats left on their hands after the war, or they are tied up in barter agreements with France and the Scandinavian countries.

The significant fact about the distress among Canada's Atlantic coast fishermen is that it exists among the dried and pickled cod section of the industry—which is, admittedly, the industry's largest branch—and does not exist in anything like a comparable degree among the fishermen who are dealing in fresh fish.

The government's endeavor, accordingly, will be to persuade the cod fishermen to sell an increasing percentage of their catch in fresh form. In place of the barrels and small boxes in which they have been packing it, more attractive containers will be devised. And the growing popularity of ready-cooked or partially-cooked foods will also be met by offering fish in a container which will only require to be warmed or heated for ten minutes at most in order to be ready for the table.

Processing Plant

In pursuit of this programme, the Federal Government will probably devote a large portion of the $500,000 which Parliament devoted to the establishment of a modern fish processing plant in the Maritimes. One section of it will be devoted to brine-freezing, a method which seals the natural flavor of the fish for fresh fish markets in Upper Canada. Another department will be for drying and powdering. And still another department will be for canning and cooking. Finally, a plant for the manufacture of by-products, such as fish-meal and fertilizers, will also be operated in connection with the industry.

While plans are not yet complete it is probable that there will be more than one such plant sponsored, and that an effort will be made to afford the new facilities to the entire dried and pickled cod industry.

The Federal Government also believes that it is impossible economically for the fishermen to earn enough to maintain themselves the year round in the four months of the fishing season. It is trying to work out some plan of supplementary employment, accordingly, for the long months on shore. It is likely that when Hon. Mr. Michaud makes his announcement of the new facilities for the industry, he will also have some suggestions to make in this connection.

Two Solloway Cases In Ontario Courts

Two cases involving I. W. C. Solloway, former Toronto stock broker, are now in Ontario courts.

An indictment against I. W. C. Solloway has been delivered to Judge Daniel O'Connell of York County Court. The indictment, in the form of a true bill, charges that Solloway stole, received or obtained by false pretences various sums totalling $2,124,660, claimed in the indictment to have been the property of customers of the former Solloway Mills & Co.

Hearing has been completed in Ontario Appeal Court of an appeal by Solloway against a judgment of Mr. Justice J. C. Makins of the Supreme Court of Ontario confirming a report of O. E. Lennox, assistant master, that found Solloway was liable for payment of $3,296,591 to G. T. Clarkson, liquidator of Solloway Mills & Co. (Dominion company). The Appeal Court reserved judgment on this case.

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New Insurance License Fees Adopted in New Brunswick

Four new license fees have been established in New Brunswick under authority of the recently enacted Insurance Act of 1937.

The new regulations require that licenses for resident brokers, either original or renewal, for business with licensed insurers will be $10. For non-residents, the fee will be $25, the same amount as exacted from special brokers for business with unlicensed insurers.

Adjusters are assessed $10. Licenses in the name of a transportation company authorizing its ticket agent to act as agent for railway accident, livestock or baggage insurance, also cost $10.

Other fees remain the same, with licenses for life insurance, life and accident, or life and accident and sickness placed at $5 for the original or renewal.

Licenses for any class of insurance other than life insurance, original or renewal, are, for residents of the province carrying on business in cities, $16; in incorporated towns, $5, and elsewhere in the province, or where a license is limited expressly to accident and sickness insurance only, $3.

Non-residents must pay a fee of $25. All applications for renewal of agents' licenses must be filed on or before May 31 in each year, and the prescribed fees paid at the time of filing, and, where any such application is filed after that date, the applicant must pay a further fee of $1 for each month or fraction thereof during which the filing of the application is in default.

New Licenses

The following companies have been granted certificates of registry by the federal department of insurance authorizing them to transact the classes of insurance named in addition to those for which they are already licensed:

North Empire Fire Insurance Co.—Falling aircraft, earthquake, civil commotion, and property caused by vehicles, limited to properties already insured for fire.

North West Fire Insurance Co.—Personal property.

United Mutual Fire Insurance Co.—Insurance against loss of or damage to an automobile.

• • •

Underwriters Exchange has been granted a federal certificate of registry authorizing it to transact fire and tornado insurance, and, limited to properties insured for fire, explosion and falling aircraft insurance. L. D. Payette, Toronto, is chief Canadian agent.

Life Agency Officers Elect J. A. McAllister

J. A. McAllister, of Montreal, was elected chairman of the executive committee of the Canadian Association of Life Agency Officers at that body's 18th annual meeting last week.

Other officers are as follows: Honorary secretary-treasurer, J. A. McCamus, Toronto; executive committee, J. N. Cabana, Montreal, W. Carlisle, Waterloo, R. M. Huestis, W. Thorpe, Toronto, F. D. Smith, Ottawa; secretary-treasurer, R. O. Gallow, Toronto.

Bronze Powders Declares "Extra"

Participating Dividend on Preferred Common Declared

From Our Own Correspondent

MONTREAL. — International Bronze Powders directors have declared a participating dividend of 25 cents a share on all stock, both preferred and common.

This dividend, which is the first participating dividend declared by the company, is payable June 1 to shareholders of record May 25, and is a participating dividend payment over and above the regular quarterly dividend.

The company was incorporated three years ago, at which time its preferred stock was put on the market. Since then the company has shown a consistent increase in net sales, while operating profits have advanced from $375,830 in 1934 to $509,584 in 1936.

The preferred stock participates with the common in any further distribution of dividends after the fixed preferred dividend and $1.50 a share on the common stock have been paid in any one year.

Canadians Write Actuarial Papers

Canadian acturies will make a substantial contribution to the Eleventh International Congress of Actuaries which will be held in Paris, France, from June 17 to 24. No less than seven Canadians, well known in insurance circles, are preparing papers for the conference.

Authors and the subjects with which they will deal, are as follows: J. D. Williamson, Canada Life, "Statistical and Actuarial Survey of Aviation Risks for Life Insurance"; V. R. Smith, Confederation Life, "Interest and Life Insurance"; J. G. Parker, Imperial Life, "Survey of Reinsurance of Life Insurance in Canada"; S. H. Pipe, Toronto, "Problems of Presenting Statistics of Accidents in Connection with Workmen's Compensation Insurance in an International Framework"; A. Pedoe, Prudential of London, "Fire Insurance Rates in Canada"; H. H. Wolfenden, Toronto, "The Problem of Unemployment"; S. M. Thompson, Manufacturers Life, "Factors Determining the Price of Long Term Loans."

Saskatchewan Premiums Amount to $3 Millions

Fire insurance companies wrote net premiums of just under $3 millions in Saskatchewan last year. Losses incurred amounted to $831,657. Ratio of net losses incurred to premiums earned was unusually favorable at 27.22%.

Grain Insurance and Guarantee reported the largest volume during the year at $307,000. Other large insurers were as follows: Wawanesa Mutual, $285,000; Saskatchewan Mutual Fire, $132,000; Royal, $86,000; and Home Insurance, $85,000.

Premiums to Colonists $3.6 Millions Since 1923

Colonization premiums paid by the Quebec Government to colonists since 1923 totalled over $3.6 millions, the contribution in 1935-36 amounting to $393,592.

As a result of a movement fostered by the Provincial Government to encourage settlement in new areas, approximately 40,000 people have been established on the land, in the last three years.

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Artificially Low Interest Rates Seen As Inflationary Influence

Future of Rates in Canada Dependent on External Forces

By W. T. G. HACKETT
Briefed from an address before the Canadian Political Science Association.

If some means could be found of obtaining the opinion of the professional investment community—those who in the day to day course of their business are investors in or dealers in fixed interest bearing obligations, the majority opinion in regard to the future of interest rates would probably be something like this:

"The turning point in the interest rate cycle was probably passed last year. Interest rates have already begun to rise, and from here on a gradual continuance of this trend seems a reasonable expectation."

The very existence of such a belief is in itself a not unimportant influence on the immediate course of interest rates.

Professional Investment

At present, by far the greatest amount of investment in the lower interest bearing category is done by relatively few institutional investors. Hence, the impact of concerted action based on general anticipation of a trend may, for a time at least, over-discount it appreciably.

Fundamental factors may be changing. But perhaps not nearly so rapidly as the action of high-grade bond prices since the end of the year would indicate.

Nevertheless, well informed bond investors still view the future with suspicion.

Money is still very plentiful in relation to alternative investment and about the only practical recourse as yet available to the institutional investor who fears the market trend is to shorten the term of his holdings. This has become fashionable investment practice. Its scope is limited, however, by the fact that short term interest rates are already very low. Further the current trend toward liquidity is a force tending to keep down the yields of shorter term maturities, thus helping to maintain the spread between long term and short term rates.

Short Term Popular

While this preference for short terms exists new security offerings must cater to public demand. A 15-year maturity seems about the maximum term that the market will consider at the moment. Because of the prevailing situation, those public borrowers whose issues command confidence can get money at short term at very low cost. Significance for the future is clear. Borrowers have today, more than ever, a "vested interest" in maintenance of the present scale of money rates if high refunding costs are to be avoided.

Two broadly representative schools of thought arrive at the same conclusion in respect to the future trend of interest rates from arguments based on different hypotheses. First is the "fundamentalist" viewpoint. This has as its basis the proposition that higher interest rates are the natural consequence of the interplay of inevitable laws. It holds that interest rates will be forced upward by a growing demand for credit to finance commercial loans, mortgages on real estate, stock market transactions and, temporarily at least, armament expenditures. Rising commodity prices will take a hand to force them still higher. Ultimately, credit scarcity will reverse the process and bring about inevitable deflation.

This view obviously discounts the ability of governments or central banks to keep money rates low when pure economic forces tend to pull the other way. Strength is lent to the case by past experience. As far back as records go, there has always been a close correlation between cyclical swings of interest rates and commodity prices.

Others contend that this is an era of "monetary control;" that it is now within the power of authorities to influence the course of interest rates. But, so the argument runs, while desirable under certain conditions, easy money is not an end in itself. Monetary authorities would do well to make money dearer—to restrict credit in order to forestall the development of an inflationary boom and its subsequent collapse.

May it not be a bit premature to talk of the need for tighter money when resources of capital and labor are still not fully employed?

Those who cannot accept the idea that interest rates should be made to rise in order to avoid an inflationary boom have a strong supporter in J. M. Keynes, who holds that dear money now or in the future is both undesirable and unnecessary. According to Mr. Keynes the interest rates of the future are whatever the monetary authorities care to make them.

Onus on Money Authorities

Out of the mass of material on economic subjects which has been directed at the public since the depression began, one of the ideas which has gripped most firmly is the belief that central banks can and do control money rates. And further, that it is the duty of governments and central banks to keep money rates low. Underlying this belief is the insistence by many that low interest rates are a good thing for the country as a whole, a necessary background for business recovery and an aid to re-employment. Interest rates have a new social significance.

The high-grade bond market in Canada is pretty well in line with those in London and New York. Barring any appreciable further downward movement of long term interest rates in London or New York, it would seem therefore, that comparable rates in Canada are about as low as they can go regardless of any possible change in our credit base in the direction of monetary ease. Due to the highly variable nature of the Canadian economy, the risk factor has a great deal to do with variations in interest rates as between one borrower and another. For the immediate future, perhaps the most important influence on the general level of interest rates will be the degree to which it is possible to reduce this risk factor and so obtain a wider diffusion of the benefits of easy money.

Cheap Money And its Results

The two articles on interest rates reproduced in the accompanying columns are summaries of addresses delivered at the ninth annual meeting of the Canadian Political Science Association held this week at Hamilton. That on the future course of interest rates was given by W. T. G. Hackett, of Mills, Spence & Co., Toronto; that dealing with the implications of lower interest rates by J. T. Bryden, of the North American Life Assurance Co.

The addresses will be published in full in the forthcoming issue of the association's journal, The Canadian Journal of Economics and Political Science.

Low Rates Have Benefited Governments Rather Than Business

By J. T. BRYDEN
Briefed from an address before the Canadian Political Science Association.

Looking back, in the fifth year of recovery, it is difficult to estimate the part artificially easy money has played in industrial recovery. It is clear that the benefits of low interest rates have been slow to work through the economic structure. Recovery has come, and in pattern differs little from its predecessors. There is little evidence that industry has rushed to borrow on the strength of low interest rates. Mere existence of low rates is evidently not enough. Confidence, or lack of it, has also played a major role.

The public has been sold the idea that low interest rates and recovery are synonymous. In most instances, interest is only a minor item in production costs, and it is becoming less important as swift transportation narrows the distance between producer and consumer.

Undue Influence

If too much stress is laid upon the importance of cheap money as a means of maintaining and improving business, small changes in rates may have an altogether disproportionate effect on confidence and in magnifying business fluctuations.

Natural low interest rates are an aid to legitimate business progress. Artificially low rates keep money below its real worth and militate against a sound recovery by setting forces in motion which later involve serious readjustment.

The almost steady decline in interest returns on high-grade bonds since early in 1932 has been due to lack of confidence in anything, but highest quality investment. In part this is attributable to replacement of commercial loans by bonds in the banking system; in part to a deliberate easy money policy initiated by government through the sale of bonds to the banks to finance deficits.

Cut Debt Charges

Main purpose of this policy has been the maintenance of national solvency through lightening the burden of interest charges on existing debt and obtaining low rates on new borrowings to meet heavy relief payments. This purpose has been masked by the claim that private capital undertakings would be stimulated by a reduction in their interest cost.

Among our major governments the Dominion has reaped marked benefit from its own easy money policy. The average rate of interest on direct debt has been cut from 4.92% in 1931 to 3.87% this year. Eastern provinces, the Maritimes, Ontario and Quebec have also shown material reduction in carrying charges but in each case, additions to debt have been substantial.

Western Provinces Hit

The west has not been as fortunate. A series of poor crops, superimposed on a heavily-mortgaged area has increased risk to such an extent that the prairies have been unable to issue debentures for new money either for current expenditures or for refunding. Until recently, British Columbia has suffered from lack of confidence on the part of capital and lower interest rates have been of little benefit.

Municipal debt has shown the smallest increase. Annual provision for debt retirement has made refunding almost unnecessary. Additions to debt have been mostly for current purposes and have borne progressively lower coupon rates. But such issues have been made only by those municipalities which have been managed soundly. Confidence has been badly disturbed by the defaults which have occurred and as a result, a large number of municipalities have been unable to borrow at all.

Financing Social Services

Much of the $1,800 millions by which governmental debt, federal, provincial and municipal, is estimated to have increased in the last six years is attributable to the cost of social services. If these have all been necessary, then it may be said lower interest rates have aided materially in financing the depression. If easier borrowing conditions have led to funding of expenditures which otherwise might have been met out of current revenue, then the bargain may have been a bad one.

Once earnings began to increase corporations also began to take advantage of the lower interest rates. Many companies have been able to effect substantial savings not only in interest charges, but also through elimination of the holders' option for payment in other currencies. In other instances, after paying incidental costs and commissions, they have received little benefit from refunding operations.

Distribution of Income

On the other side of the picture, the owners of interest bearing securities have received less. It can be argued that this in effect has resulted in a more evenly distributed national income, as reduced outlay for interest should allow a more liberal wage policy. It should be kept in mind, however, that cheap money has worked a hardship on many who are dependent on fixed incomes for a livelihood. A possible outcome is that another class will become dependent on the government.

Banks have been affected by the lower interest payments, although this has been partly offset by the decline in interest rates paid on deposits. It has made provision of adequate contingency reserves more difficult. A substantial downward movement in bond prices would have a pronounced effect on the reserve funds of the banks.

Lower interest returns have been a deterrent to investment in bonds and have led to a large fund of private money seeking a more profitable outlet. The rapid increase in stock market prices which has occurred during the last three years is a reflection of the application of the theory of alternative investment.

The method by which artificially easy money has been brought about—sale of Government bonds for deficit financing and their absorption by the banking system—has been inflationary in character. Credit has been brought into being as a result of governmental needs, not business expansion. It is true that inflation has not yet caught hold, but the basis is laid, and our controls have not been tested.

Chartered Banks Open Nine Branches in April

Canadian chartered banks announced the opening of nine new branches during April, and closed three offices. Branches numbered 3,509 at the end of the month, comprising 3,363 in Canada, 25 in Newfoundland and 121 elsewhere.

Two of the branches closed were by the Bank of Commerce, at Hawkestone and Stroud, Ont.; the other was the Ponce, Puerto Rico branch of the Royal. New offices are as follows:

Bank of Commerce—Copper Mountain, B.C.; Sherridon, Man.
Bank of Montreal — Goldfields, Sask.; Paradise Valley, Alta.; Senneterre, Que.
Dominion Bank—Larder Lake, Ont.
Royal Bank—Nipigon, Ont.
Banque Canadienne Nationale — Perron, Que.
Imperial Bank—Rouyn, Que.

Bank Chat

Dividend Rates

The strength of Canada's banking system has been the proud boast of Canadian bankers for many years. It is only natural that the experience of the depression has added weight to their claim. Indeed, from a balance sheet viewpoint, the banks today are in perhaps the strongest position they have ever occupied. The flow of funds from commercial loans to investments has seriously affected earnings, but has materially added to liquid position.

But even the most rabid defender of Canadian banking would hardly go as far as a writer in the current issue of the Saturday Evening Post. In a paragraph which must be bewildering to shareholders who have scanned dividend cheques very closely, he says:

"By and large, Canada's banking system was inherently sound. When depression struck the country and a series of droughts and crop failures in the West followed, most of the Canadian banks paid their usual 12% dividends, and none of them passed a dividend."

• • •

Depression-hit

The obvious inference is that the banks continued to pay 12% dividends throughout the depression. A good many thousands of shareholders wish it were so. On the other hand, if this had actually been the case, the charges directed at the banks by axe-grinders and others would have met a much more receptive audience.

The fact is, of course, that not one of the nine Canadian banks which pay dividends to shareholders—Barclays is controlled by the parent institution in England—has maintained its predepression scale of dividends. Only one, the Bank of Nova Scotia, is now paying 12%, and that rate represents a reduction of 4% from what was paid in 1931.

The Montreal, Royal and Commerce, each paid 12% plus a bonus from shortly after the war until 1931, when the bonus was dropped. From then on there were a number of reductions in the annual rate, bringing it to 8%. The Toronto, Dominion and Imperial, which paid 12% plus a 1% bonus until after the depression got under way, now pay 10%. The Canadienne Nationale, which paid 10% from 1919 to 1933, dropped to its current 8% in 1935. And the Provincial, which paid 9% up until 1931, now pays its shareholders 6%.

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Note Issue

The article contains several other statements on Canadian banking which are open to argument. For instance, it is said that the Bank of Canada will ultimately control the issuance of all paper money. That may be quite true. "Ultimately" covers a long period of time. There is no provision for it in existing legislation, however. Note issuing rights of the chartered banks have been curtailed in the last two years, and will continue to have definite percentages lopped off until 1941. After that, the Bank Act provides that "Until Parliament further enacts, the amount of notes of a bank in circulation shall not exceed 25% of the amount of the unimpaired paid-up capital of the bank."

It is rather surprising, moreover, to learn from the article that some of the provinces are utilizing the Bank of Canada as their fiscal agent. The impression has been that although the central bank was quite willing to act in this capacity, none of the provinces had taken up its offer. This impression was strengthened by Mr. Towers' address at the annual meeting of the bank.

Bank of Canada Weekly Statement

Balance Sheet

	May 19 1937	May 12 1937
Liabilities	$	$
Capital paid-up	10,100,000	10,100,000
Notes in circ.	130,872,701	130,989,101
Rest fund	743,716	743,716
Dep.: Dominion	22,126,759	21,795,111
Banks	191,044,807	194,179,766
Other	925,505	785,808
Total deposits	214,097,071	216,760,685
All other liabs.	1,911,857	1,943,526
Total liabs.	357,725,345	360,537,028
Assets		
Reserve: Gold	187,775,483	188,576,444
Silver bullion	2,434,339	2,431,901
Res. in sterling and U. S.	14,566,566	13,498,911
Total reserve	204,776,388	204,507,256
Subsidiary coin	213,274	317,839
Investments:		
Dom. govt. short .	47,075,844	48,179,583
Other Dom. govt. .	101,388,611	101,499,026
Total invest.	148,464,455	149,678,609
Premises	459,266	454,176
All other assets	3,811,961	5,579,148
Total assets	357,725,345	360,537,028
Reserve ratio	59.36%	58.80%

Weekly Bank Clearings

	May 20 1937 $	Change Year Ago %	May 13 1937 $
Halifax	2,795,140	+20.1	2,032,403
Saint John ..	2,108,240	+10.1	1,781,737
Moncton	865,936	+16.6	710,485
Sherbrooke ..	795,777	+56.2	714,919
Quebec	5,771,949	+66.2	5,242,265
Montreal ...	114,807,365	+32.2	90,355,203
Ottawa	21,848,860	+29.6	47,995,499
Peterborough	697,648	+9.8	522,376
Toronto	129,304,996	—11.3	104,586,624
Hamilton ...	5,768,936	+32.4	4,685,949
Kitchener ...	1,311,585	+11.0	1,126,230
Brantford ...	1,020,884	+2.6	974,519
London	3,182,871	+6.6	2,239,128
Chatham	681,999	+40.0	494,145
Windsor	3,376,222	+5.1	2,493,805
Sarnia	556,316	+11.4	406,123
Sudbury	904,767	+0.4	877,783
Fort William	849,613	+35.3	578,367
Winnipeg ...	51,611,288	—0.5	25,913,294
Brandon	353,795	+20.8	207,407
Regina	4,529,101	+20.6	3,681,506
Moose Jaw ..	743,424	+27.2	531,368
Saskatoon ..	1,630,437	+9.9	1,242,189
Prince Albert	368,600	+13.6	294,840
Edmonton ..	4,454,703	+16.0	3,412,127
Calgary	5,878,429	—11.0	5,407,583
Medicine Hat	264,881	+15.2	181,356
Lethbridge ..	483,705	+12.7	393,638
N. W'minster	700,806	+33.0	605,370
Vancouver ..	19,970,373	+12.2	14,785,466
Victoria	1,775,650	+11.5	1,482,153

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Sturgeon Falls, Ont. — Iroquois Falls, Ont.
Espanola, Ont. — Smooth Rock Falls, Ont.
Pine Falls, Man. — Fort William, Ont.
Newsprint
Groundwood Pulp — News Sulphite Pulp
High Grade Bleached Sulphite Pulp

FARGO
New 3/4-1 Ton Trucks

New 1937 Fargo 3/4-1 ton Chassis with Cab and Express Body—136" wheelbase takes 9' body, 6-cyl. A completely new chassis.

MORE ROOM FOR LIGHT, BULKY LOADS
IDEAL FOR ALL HOUSE-TO-HOUSE TRUCK DELIVERY!

If your delivery problem is one of light, bulky articles you will find the answer in a new Fargo 3/4-1 ton truck.

These new 3/4-1 ton Fargo trucks are designed to handle loads too large for the ordinary Commercial Car yet too light to require 1 1/2 ton truck capacity. They are built from the ground up to a real 3/4-1 ton job. They give you extra carrying capacity at lower cost.

Fargo 3/4-1 ton models are available in two wheelbases—136-inch as illustrated and 120-inch wheelbase. *The 136" wheelbase is supplied in three chassis models and two standard body types, i.e.—panel body and 9-ft. express body.*

Both the panel body and the express body are new and smartly modern in appearance. They have attractive eye-appeal that is worth real money to the owner in prestige and advertising value.

The 120" wheelbase is available in three chassis models to take special bodies up to 7-feet in length. It is specially designed to meet the needs of buyers such as Bakeries, Dairies, Florists and Dry Cleaners who may want short-turning radius and easy handling.

Before you choose any truck for light, bulky loads or frequent stop delivery service, be sure to see the new 3/4-1ton Fargo. Visit or call your nearest Chrysler-Plymouth-Fargo dealer today.

(Right) New 1937 Fargo 3/4-1 ton Fargo Commercial Panel. 136" wheelbase, 6 cyl. 75 H.P. Handsomely styled.

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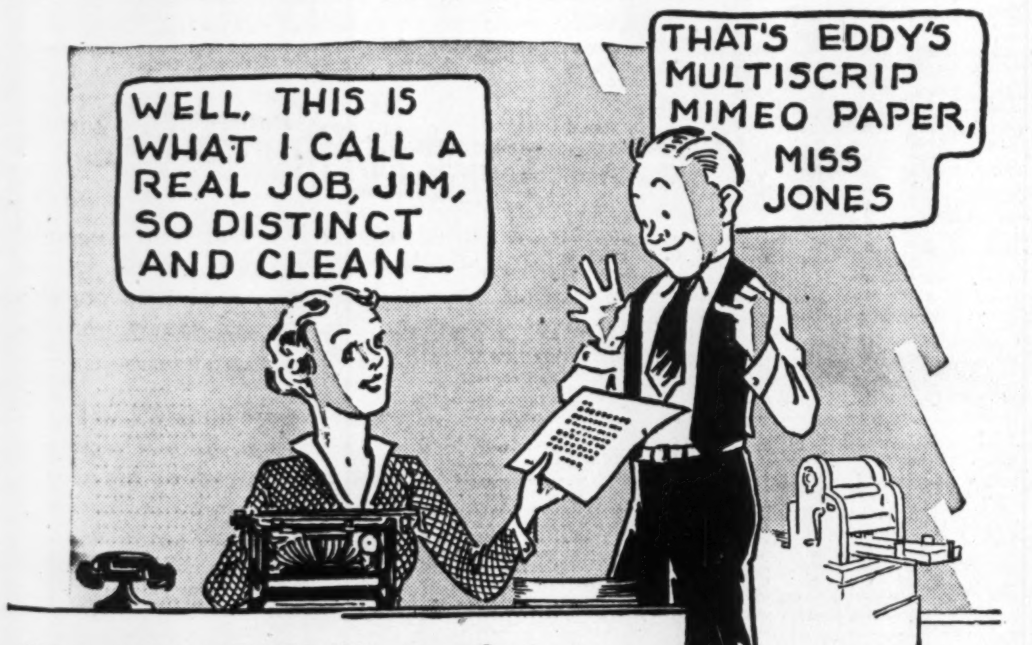

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THE E. B. EDDY COMPANY LIMITED — HULL — CANADA

STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING MAY 24

Range 1937 High	Low	Div R'te $	May21 Y'ld %		Sales	Last May 17	Week end. May 24 H	L	Cl'se
				A					
15½	5¾	.	...	Abitibi	32336	6½	8	6¾	7
80	41½	.	...	Do. pref. 6%	6585	61½	67	61	63½
97	60	.	...	Do. pref. 7%	....	(— bid — asked)			
79½	41	.	...	Do. cert. dep.	96	66	64	60	60
6¾	4¾	10c	...	Acadia Sugar	....	(4½ bid 5 asked)			
18½	9½	50c	5.3	Acme Glove	....	(9½ bid 12½ asked)			
94	75	6.50	8.7	Do. pref.	....	(— bid 85 asked)			
37	30	.	...	English Electric	....	(27 bid 35 asked)			
16¾	10½	.	...	Do. (B)	32	10½	11	10½	10½
7	5½	.	...	Equitable Life	....	(6 bid 6½ asked)			
10½	9½	.	...	European El. A.	....	(— bid 9½ asked)			
.65	.65	.	...	Do. Warrants	....	(.35 bid — asked)			
				F					
13	8½	.	...	Fairchild Air	480	9	9½	9	9
35	34	.	...	Fam. Players	....	(— bid 28 asked)			
34	29	.	...	Do. Vot. Tr.	....	(— bid 35 asked)			
24½	19	25c	...	Fanny Farmer	1535	20½	20½	20	20½
29¾	22½	1	4.2	Ford Motors A.	1099	23	23¾	23	23½
2½	1	.	...	For. Pr. Secs.	5	1½	1½	1½	1½
31	23	.	...	Foundation Co.	760	24½	26½	24½	26
50	29	.	...	Fraser Cos.	1278	39	43½	39	43
50	29½	.	...	Do. Vot. Tr.	7743	39½	44	38½	44
7½	5	.	...	Zimmerknit, c.	230	5½	5½	5	5
98	92	7	...	Do. pref.	....	(95 bid 100 asked)			

† 1936.
▲ On account of arrears. b New York quotations.
‡ Plus extra of $2 paid Feb. 1, 1937.
• Plus stock bonus of 1% paid Jan. 2, and 1% Mar. 26, 1937.
■ Plus capital distribution of $1 paid Feb. 1, 1937.

Mining Stock Quotations

WEEK ENDING MAY 24, 1937

OIL STOCKS

Par Val.	Range 1937 High	Low	Company	Sales	Close May 17 (or last)	High for week	Low for week	Close May 24
No	.44	.11½	Facelta Oil	13,200	.14	.14½	.13	.14
1	1.50	.28	Ranchmen's	29,000	.40½	.46	.39	.46
No	59.00	34.00	Royalite	12	35.50	41.00	37.50	41.00
No	2.00	.45	Southwest Pete	1,350	.65	.60	.60	.60
1	.75	.25	Spooner	3,800	.25	.30	.30	.30
No	.72	.16½	United	20,700	.22	.25½	.22	.25
No	.38	.05	Vanalta	1,200	.09½	.10	.09½	.10
1	3.05	.95	Vulcan	......	(1.20 bid 1.25 asked)			

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

May 25, 1937

Public Utility Issues:	Int. Rate %	Due	Bid May 25	Asked	Bid May 17
†Assoc. Tel. & T.	5½	'55	83½	86½	83½
Avalon Tel.	5½	'48	101½	...	101½
Beauharnois P.	5½	'73	55½	58½	54½
‡Bell Telephone.	5	'55	114½	117½	114
‡Do	5	'57	118	121	118
B. C. Power	4½	'60	95	98	95½
B. C. Tele.	4½	'61	103½	106½	103
‡Calgary Power	5	'60	95½	98½	95
†Can. Nor. Pwr.	5	'53	102½	105½	102½
‡Dom. Gas & El.	6½	'45	91½	94½	92
‡Gatineau Power	5	'56	100½	103½	100½
‡Do., A	6	'41	100½	103½	100½
‡Do., B	6	'41	100½	103½	100½
Gt. Lakes Pwr.	4½	'56	92	95	92
‡Inter Hydro-El.	6	'44	72½	75½	72
‡Inter. Power	6	'57	98	101	98
‡Do.	6½	'57	99½	102½	100
▲Do	6	'55	100½	103½	100½
†Maclaren-Que. Power	5½	'61	97	100	96½
†Do.	5½	'64	96½	99½	96
†Mtl. Island Pr.	5½	'57	103	106	103
†Mtl. L., H. & Pr.	3½	'56	97	100	97
†Mtl. Tramways	5	'41	100½	103½	100½
†Do.	5	'55	78½	101½	79
Nfld. L. & P.	4½	'56	98½	101½	98½
Nat'l. L. & P.	6	'49	95	98	95
N. S. L. & P.	4	'57	97½	100½	97½
†Ot'wa L.H.&P.	5	'57	105½	108½	105½
†Ottawa Tract.	5½	'55	102	105	101½
†Ottawa V. Pwr.	5½	'70	104	107	104
†Power Corp.	4½	'59	98½	101½	99
‡Quebec Power.	5	'68	103½	106½	103½
Saguenay Pr., B	4½	'66	101½	104½	101½
•Do., A	4½	'66	100	103	99½
†Shaw. W. & Pr.	4	'61	96	99	96
†Do.	4½	'70	102	105	102
†United Secs.	5½	'52	72	75	72½
†West. Pwr. Co.	5	'49	103½	106½	104
‡Winnipeg Elec.	4½	'60	104	107	104
‡Do., A	4	'65	75	78	75
‡Do., B	4	'65	62½	65½	62½
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	99½	102½	98½
Acadia Sugar	4½	'55	100½	103½	100
†Alta. Pac. Gr.	6	'46	97	100	97½
Asbestos Corp.	5	'42	101	104	100½
B. A. Oil	4	'45	102	105	102
Canada Bread	6½	'41	107	110	107
†Canada Cement	4½	'51	102	105	102
†Canada Paper	4½	'52	96½	99½	95
Can. Steamship	6	'41	66½	69½	66
Can. Canners	4	'51	97½	100½	97½
Can. Bakeries	6½	'45	100	...	100
‡Can. Inter. Pap.	6	'49	100½	103½	100½
C. P. R.	3½	'51	99	102	99
Do.	4	'49	102	105	102
Do.	4½	'44	101½	104½	101
Do.	4	Perp.	93	96	92
†Can. Vickers	6	'47	94½	97½	96½
†Consol. Paper	5½	'61	90	93	86
‡Dominion Coal	6	'55	100½	103½	100½
Dom. Sq. Corp.	6	'48	71½	74½	71½
▲Dom. Stl. & C.	6½	'55	105	108	104
Dom. Tar	4½	'51	99½	102½	99
Dom. Textile	4½	'55	105½	108½	106
†Donnacona P.	4½	'56	82½	85½	81
†Eastern Dairies	6	'49	80½	83½	80½
†Famous Players	4½	'51	95½	98½	96
†Federal Grain	6	'49	101	104	100½
†Fraser Cos.	6	'50	103	106	102½
†Gen. St. W.	4½	'52	95	98	95
Great Lakes P.	5	'55	93½	96½	92½
†Gypsum, L & A	5½	'48	101	104	101
†Gr. Br. & Can. Invest.	4½	'59	87	90	87
Hamilton Cot.	5½	'48	103	...	103
Ham. By-Prod. Coke	5	'55	98½	101½	98
Do.	6	'56	98½	101½	97
†Inter. Paper	6	'55	98	101	97
†Inter. P. & P. Nfld.	5	'68	102	105	102½
Inter City Bak.	5½	'48	103½	106½	103½
Inter-City West. Bakeries	6½	'50	54½	57½	54½
†Kingston Elev.	6	'50	98½	101½	98½
Lake St. John P. & P.	5½	'61	100	103	99½
Do.	5	'61	80	83	79½
†Lond. Can. Inv.	4½	'48	93	96	94½
†Maple L. Mill. (Bundles)	5½	'49	80	83	80
†Massey-Harris	5	'47	97	100	96½
†McColl-Front.	6	'49	101½	104½	102
†Mercury Mills	5½	'53	77	82	78½
†Mersey Paper	6	'49	99	102	99
‡M. & O. Paper	6	'45	70	73	68½
Mtl. Dry Docks	6	'48	90	93	91
Nat'l Grocers	4	'47	100	103	100
†N. A. Elevators	6	'50	96½	99½	96
Nor. Ont. Bldg.	6½	'39	98½	101½	98½
†Price Bros.	5	'57	99	102	98½
‡Prov. Paper	5½	'47	102	105	102
Queen's Hotel	6	'47	100	...	100
‡Reliance Grain	4½	'52	97½	100½	97
†Restigouche Co.	6	'48	113½	116½	113½
Rich. Bay Bldg.	6½	'47	100½	103½	100½
†Rolland Paper	4½	'51	102½	105½	102½
Ruddy & Co.	6½	'48	98	101	98
†Simpsons Ltd.	4½	'51	93	96	92½
†Smith, Howard	4½	'51	102	105	102
†Steel of Canada	6	'40	110½	113½	110½
Sterling Coal	6	'40	94	...	92½
Stop & Shop	6	'47	73	77	73
•Twin City	5½	'52	78½	81½	79½
United Amuse.	5	'56	99	102	98½
United Corp.	5	'53	98	101	98
Unit. Grain Gr.	5	'48	94	97	94
Do.	5½	'49	96	99	96
Union Gas	4½	'50	96½	99½	95½
Wabasso Cot.	4½	'51	95	98	95
†Western Grain	6	'49	76	79	77
Windsor Hotel	6½	'43	80	83	80
Do.	6	'47	40	43	40
Zimmerknit	6	'51	100	...	100

‡Payable in Can. or U. S. †Payable in Can., U. S. or U. K. ▲Payable in Can. or U. K. •Payable in U. S. only.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

May 25, 1937

Industrial Stocks:	Bid	Asked
Acadia Sugar, pfd.	5.00	5.25
Acme Farmers Dairy, pfd.	50.00	55.00
Algoma Steel Corp., com.	16.75	17.50
Do., pfd.	82.00	84.00
Andian Nat.	47.50	48.50
B. C. Pulp & Paper, pfd.	75.00	80.00
Do., com.	16.00	16.50
Brandram-Henderson, com.	4.00	4.50
Do., pfd.	16.50	17.50
Burns & Co., "A"	14.00	15.50
Do., "B"	6.25	7.50
Can. Tube & Steel, 1st pfd.	76.00	80.00
Do., com.	9.00	10.00
Can Airways	7.00	8.00
Can. Industries, "A" com.	233.00	
Do., "B" com.	232.00	235.00
Do., pfd.	155.00	156.00
Can. Ingersoll-Rand	128.00	135.00
Can. Western Lumber, com.	1.50	1.75
Chase, A. W., pfd. bonus	26.00	28.50
Claude Neon Gen. Adv., pfd.	14.00	15.00
Conduits Nat., com.	5.00	5.90
Crescent Creamery, pfd.	37.00	39.00
Dom. Found. & Steel, new com.	29.00	31.00
Do., pfd.	97.00	100.00
Dom. Woollens, com.	.65	1.00
Do., pfd.	2.00	3.00
Dunlop Tire, pfd.	83.00	86.00
Federal Grain, com.	4.50	4.75
Do., pfd.	43.00	45.50
Goderich Elevator	7.00	8.00
Greening Wire, pfd.	105.00	108.00
Guelph Carpet, pfd.	106.00	107.00
Do., com.	25.00	26.75
Hayes Steel Prod., com.	12.00	13.00
Do., pfd.	8.00	9.00
Highland Dairy, com.	1.60	2.25
Inter City Baking, com.	33.00	36.00
Lake St. John, com.	57.50	59.00
Lake Sulphite Pulp, com.	21.25	22.00
Loblaw's Inc. (U.S.) units	73.00	
McCormick's, com.	5.00	5.50
Do., pfd.	14.00	
Morrison Brass, pfd. bonus	13.25	16.50
Mount Royal Hotel, pfd.	3.60	4.25
New Meth. Laund., pfd. bonus	92.00	97.00
Perfection Pete., pfd.	21.00	24.00
Provincial Paper, pfd.	106.75	107.75
Reliance Grain, pfd.	97.50	99.00
Robin. Consol, Cone	10.25	11.00
Ruddy, E. L., pfd.	36.00	39.00
Seal O Sac (Can.)	15.00	17.00
Silverwoods Dairies, pfd.	4.20	
Standard Fuel, com.	6.00	7.00
Do., pfd.	100.00	103.00
Super. Pete. "B" pfd.	26.50	28.00
Toronto Carpet, com.	51.00	
Do., pfd.	51.50	
United Steel, "A" pfd.	19.00	19.75
Western Grain, pfd. bonus	8.00	11.00
Weston (Geo.) Foods (Eng.)	2.50	3.00
Wings Limited	1.10	1.30
Trusts and Loan Stocks:		
Chartered Trust	95.00	
Comm. Finance, com.	2.75	2.90
Guelph, Ont. Inv., par $50	50.00	53.00
London & West. Trust	53.00	57.00
Prudential Trust	5.00	6.00
Sterling Trust	41.00	
Traders Fin., "A" com.	22.50	24.00
Do., "B" pfd. bonus	96.00	99.00
Trust & Guarantee	31.50	32.50
Insurance Stocks:		
Canada Life	535.00	545.00
Canadian Ins. shares	16.00	18.50
Confederation Life 20% pd.	113.00	116.00
Dominion Fire	135.00	
Dom. of Can. gen.	133.00	140.00
Empire Life 25% pd.	12.50	13.00
Federal Fire 25% pd.	41.00	
Fidelity Ins. of Can.	50.00	
Great West Life	325.00	335.00
Guar. of N. A., fully pd.	300.00	320.00
Imperial Life	340.00	355.00
Manufacturers Life	250.00	260.00
Monarch Life, 10% pd.	23.00	
Sovereign Life, 25% pd.	16.00	17.50
Sun Life	650.00	665.00
Western Assur., com.	51.00	54.00
Do., pfd.	41.00	43.50
Theatre Stocks:		
Allens Kingston, pfd.	62.00	71.00
Do., Parkdale, pfd.	65.00	
Do., St. Catharines, pfd.	63.00	
Do., Tor., pfd. bonus com.	30.00	2.00
Loew's London, pfd.	2.30	2.90
Do., Toronto, pfd.	115.00	120.00
Mansfield Theatre, pfd.	30.00	33.50
Paramount Kitchener, pfd.	58.00	68.00
Do., Oshawa, pfd.	88.00	98.00
United Amusement, "A"	23.00	25.00
Do., "B"	21.00	24.00
Investment Trust Shares:		
Can. Gen. Invest.	9.85	10.00
Can. Investment Fund	4.50	4.85
Can. Invest. Corp.	9.25	10.00
Cons. Div. Stand. Sec., units	22.00	24.00
Invest. Found., pfd. bonus	61.00	64.00
Lon. Can. Invest., com.	4.75	5.25
Sec.'s Hold., pfd. bonus	23.00	25.00
United Corpns., "A"	24.00	25.00
Do., "B"	24.50	26.00
Power Issues:		
Can. West. Nat. Gas, pfd.	91.00	94.00
Do., com.	27.00	
Foreign Power Sec.s, pfd.	11.25	12.75
Great Lakes Power, pfd.	97.50	100.00
Inter. Util., $1.75 pfd.	17.00	18.00
Montreal Island Pwr., pfd.	20.00	21.00
New Brunswick Tel., com.	13.25	14.25

Public Utility Earnings

Mexican Light & Power

March:	1937 $	1936 $	Increase $
Gross earn.	730,272	680,832	49,440
Oper. exps.	516,691	461,011	55,680
Net earn.	213,581	219,821	*6,240
Gross from Jan. 1	2,187,166	2,035,258	151,908
Net fr. Jan. 1	672,011	675,751	*3,740

*Decrease.

Unlisted Mines

May 25, 1937

	Bid	Asked
Albany R.	.44	.46
Alden G.	..	.17
Algold	.30	.32
Am. Gold	.20	.22
Armistice	.16	.18
Arno	.03	.03½
Athon	.20	.22
Altura	.25	.28
Alsbach	.04	.07
Ansel	.27	.29
Aquarius	.09	.12
Area	.03	.03½
Augite	.23	.25
Bailor	.03	.04
Barber L.	.13	.15
Bathurst	.02½	.03½
Eidla'que	..	.20
Big L. Lac	.03	.04
Bilmac	.14½	.16
Baldwin	.02½	.03
Brengold	.10	.12
Bousquet	.02	.02¼
Bruell	.50	.52
Cuniptau	.06½	.07½
Calder B.	..	.10
Callinan F.	.06	.08
C. Pandora	.11½	.13
Can. Kirk.	.02	.03
Candalaca	.42	.44
Casey Con.	.01½	.01¾
Centrecour	.25	.27
Chest'ville	..	1.50
Coin L.	.11	.13
Condor, old	.05½	.05½
Cont. Kirk.	.34	.36
Cooke L.	..	.40
Coronation	.08	.13
Cres. Kirk.	.04	.06
Dawson W.	.15	.17
Dempsey C.	.18	.20
Dennison	.47	.49
Desantis, n	.35	.40
Doreva	.46	.47
Dunlop, n	.06	.07
El Bona'za	.10	.12
Elmos	.20	.23
Electra P.	.13	.14
Eva Lake	.10	.12
Faulk'ham	..	.40
Fernland	.16	.19
Fleming	.22	.24
Franklin	.01¾	.02¼
Frontier	.15½	.17½
Garnet	.03	.04
Gateway P.	.07	.08
Gilbec	.03	.03½
Globe	1.05	1.07
Gull Kirk.	.03	.04
Gold Range	.04	.05
Goldside	.04	.05
Golden G.	.39	.42
Gordon L.	..	.14
Hudson Pat.	.03½	.05
Hislop	.10	.12
Horseshoe	.03	.03½
Hutchison	.17	.20
Hugh Pam.	.20	.21
Jedder	.06½	.08
Johnson, n	.04	.05
Kaw Crow	.12	.14
Kenecho	.11	.13
Kenricia	.50	.55
Kewagama	.45	.48
King Kirk	.02½	.03
Kir-Vit.	.14	.16
Kirk. Hunt.	.02	.02½
Kirk Gate	.12	.15

UNLISTED MINES—(Continued)

	Bid	Asked
Lafayette	.02	.03
L. Geneva	.76	.79
Lamaque	7.50	7.75
Lardego	.05½	.07
McCuaig	..	.12
Magnet	.11	.13
Magnet C.	.28	.32
Malartic G.	..	.35
Manco	.06½	.07½
M. McNeely	.05	.07
M. Bird	.79	.82
Margaret	.37	.40
Maritime	.24	.28
Matach C	.13	.16
Moffatt, n	.07½	.09
MacFarlane	.08	.08½
McCarthy	.27	.30
McVittie K.	.04	.05
Monarch	..	.12
Mooshla	.25	.28
Mosher	.38	.40
N. Rouff'd	.29	.32
N. Shores	.03	.04
Norlake	..	.10
N. W. Min.	..	.11
Oklend	.17	.20
O'Leary	.10	.11
Opemiska	.20	.25
Oriole	.13¾	.14½
Ossian	.04	.04½
Osoyoos	.45	.50
Pascalis	.29	.32
P. McNab	.07½	.08½
Potterdoal	.02¼	.02¾
Por. United	.07	.08
Por. Lake	..	.28
Por. Gd. Rf.	.02	.03
P. Triumph	..	.15
Pontiac R.	.11	.13
Pelangio	.14	.16
Propriet'y	2.00	2.10
Quemartic	.17	.20
Q. Manitou	.71	.73
Rajah	.20	.21
Richmac	.43	.50
Ribago, old	.03¾	.04¼
Roeanor	.14	.16
R. Reward	.07¾	.08½
Rubec	.04	.04½
Sand River	.25	.28
Sante Fe	.40	.45
Schreiber	.09	.11
Shenango	.21	.24
S. Valley	.10	.13
Skookum	.10	.12
Siscoe Ex.	..	.25
Smelter	.03½	.04½
Spooner	.18	.21
Sturgeon R.	.30	.33
Springer	.12	.14
Sud. Lac	.13	.15
S. L. Beach	.12	.15
Sun Bear	.26	.27
Tonawanda	.05	.06
Uchi Lake	.75	.85
Up'r Can.	.53	.55
Wascana	.19	.21
Valloc	.04	.06
Williamson	.07¾	.08½
Wesley	..	.12
Westside	.06½	.07½
West Red L.	.03½	.04½
Wendigo	.17	.19
W. Horse	.12	.14
Willport	.10	.15
Winoga	.15	.18
Woco	.15	.19
Y. Davidson	.15½	.17
Ypres Cad.	.10	.12

Municipal Bonds

	Rate	Due	Bid	Ask.	Yld.
†Halifax	5	1961	109.00	111.00	4.27
Hamilton	5	1950	110.50	112.50	3.80
Montreal	5	1945	104.00	106.00	4.09
Ottawa	4½	1945	106.75	108.75	3.25
†Quebec	5	1959	100.00	102.00	4.85
Saint John	5	1950	105.00	107.00	4.31
†Toronto	4½	1955	110.00	112.50	3.55
†Vancouver	5	1930	88.00	93.00	5.78
Winnipeg	5	1944	97.00	101.00	4.83

†Payable Can. and N.Y.

Government Bonds

Dominion of Canada Bonds

May 26, 1937		Bid	Ask.	Approx. Yld.
2½	15 Oct. '39	102.25	102.75	1.35
4	15 Oct. '39	105.65	106.15	1.40
2	15 Nov. '39	101.25	101.75	1.29
1½	1 June '40	100.00	100.50	1.33
4½	1 Sept. '40	108.15	108.65	1.75
1	15 Mar. '41	97.75	98.25	1.48
5	15 Nov. '41	110.75	111.25	2.35
3	15 Oct. '42	103.35	103.85	2.24
2½	1 June '43	100.65	101.15	2.29
5	15 Oct. '43	111.75	112.25	2.89
4½	15 Oct. '44	109.85	110.35	2.92
■2½	15 Aug. '45	98.85	99.35	2.58
4	15 Oct. '45	106.00	106.50	▲2.88
4½	1 Feb. '46	109.65	110.15	3.15
3¼	1 June '49	99.00	99.50	3.30
3½	15 Oct. '49	101.65	102.15	▲3.17
4	15 Oct. '52	105.65	106.15	▲3.30
3	1 June '55	95.35	95.85	3.30
4½	1 Nov. '56	108.50	109.25	▲3.35
4½	1 Nov. '57	108.50	109.25	▲3.44
4½	1 Nov. '58	109.50	110.00	▲3.43
4½	1 Nov. '59	109.75	110.25	▲3.48
■3¼	15 Jan. '61	99.15	99.65	3.27
3¼	1 June '66	96.00	96.50	3.43
§3	Perp. bds.	87.15	87.65	3.42

Dominion Guaranteed Bonds

Canadian National Railway:				
3	1 May '44	101.25	102.25	2.64
3	15 Dec. '50	96.00	97.00	3.27
3	15 Feb. '53	95.00	96.00	3.32
*4½	1 Sept. '51	112.50	113.50	3.32
*4½	1 Feb. '56	113.00	114.00	3.48
†4½	1 July '57	112.00	113.00	3.58
*4¾	15 June '55	115.25	116.25	3.53
5	1 Feb. '54	115.50	116.50	3.69
*5	1 July '69	115.25	116.25	▲3.07
*5	1 Oct. '69	117.50	118.50	▲3.48

Provincial Government Bonds

New Brunswick:				
4	1 Sept. '54	99.50	101.50	3.88
†4½	15 Apr. '61	104.00	106.00	4.10
†5	15 Jan. '60	110.00	112.00	4.18
Nova Scotia:				
3	2 Sept. '45	96.00	98.00	3.27
4½	15 May '43	105.50	107.00	3.20
†4½	15 Sept. '52	106.50	108.00	▲3.58
†5	1 Mar. '60	113.50	115.00	4.00
Ontario:				
*3	1 Dec. '51	95.00	96.50	3.30
*4	1 June '62	105.00	106.50	3.60
4½	1 June '50	109.50	110.50	3.49
*4½	15 Jan. '62	111.50	113.50	3.67
5	15 Oct. '48	113.25	114.25	3.48
*5	2 Dec. '60	117.50	119.00	3.77
5½	1 July '46	115.00	116.00	3.42
Ont. Hydro Comm.:				
3½	1 Apr. '47	101.25	102.25	3.24
4¾	1 Jan. '70	114.00	115.50	3.91
Prince Edward Island:				
3	1 Oct. '45	96.00	98.00	3.27
Quebec:				
4	15 Mar. '52	104.00	105.50	3.52
4¼	1 Aug. '58	108.00	109.50	3.61
4½	2 Jan. '63	109.00	110.50	3.86
Alberta:				
4	15 Dec. '54	58.00	60.00	¶
†4	1 Dec. '57	58.00	60.00	¶
4½	1 Oct. '51	69.00	71.50	¶
†4½	1 Oct. '56	60.25	61.50	¶
†5	1 Jan. '48	62.00	64.00	¶
5	1 Sept. '55	62.50	64.00	¶
*5	1 Oct. '59	62.50	64.50	¶
†5½	1 Jan. '47	63.00	65.00	¶
6	1 Mar. '47	68.00	70.00	¶
British Columbia:				
†4	1 Dec. '57	91.50	92.50	4.57
*4½	15 Jan. '51	97.00	98.00	4.70
†4½	1 Oct. '53	96.00	97.00	4.76
†5	15 Jan. '48	99.50	100.50	4.94
5	1 Sept. '53	99.50	100.50	4.95
5½	1 Feb. '45	100.25	101.25	5.30
6	15 Feb. '47	102.00	103.00	5.60
Manitoba:				
4	2 Jan. '50	86.50	88.00	5.24
†4	1 Dec. '57	86.50	88.00	4.94
†4½	15 Dec. '56	90.00	91.00	5.28
†5	15 June '54	95.25	96.25	5.33
*5	2 Dec. '59	94.50	96.00	5.31
5½	1 Oct. '55	94.00	96.00	5.85
6	1 Apr. '47	98.50	99.50	6.06
Saskatchewan:				
4	15 Aug. '53	77.25	78.25	6.11
4	1 Nov. '60	75.25	76.25	5.87
*4½	2 July '45	90.00	91.00	5.90
†4½	1 Oct. '51	90.00	91.25	5.37
†4½	15 Mar. '60	82.00	84.00	5.76
5	1 Aug. '58	86.00	87.50	6.05
†5½	15 Nov. '46	90.00	92.00	6.65
5½	1 Oct. '52	89.00	90.00	6.54
6	15 Mar. '52	93.00	94.00	6.64

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ■Payable N.Y. ‡Exempt from Dominion income tax. §Callable on or after Sept. 15, 1966. ¶Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%. •Calculated to maturity, although callable prior to that date.

Winnipeg Stocks

(Transactions from May 17 to May 22)

	Sales	High for period	Low for period	Close May 22
B'ver Lumber, c.	95	5.00	4.75	4.75
Cres. Cream., p.	1	36.00	36.00	36.00
Flin Flon	9,400	.07½	.06	.06½
Flintoba	1,000	.01½	.01½	.01½
Gt. Falls M.	2,400	.10	.09	.09
Gold Lake	4,001	.03½	.03	.03½
Gurney Gold	4,960	•.40	.35	.40
Globe Ry'lts	100	.16½	.16½	.16½
Home Invest.	1	20.00	20.00	20.00
Island Lake	1,500	.02	.02	.02
Monarch G. M.	130	1.35	1.35	1.35
Ore Grande	20,000	.05	.03½	.04
Packsack	1,800	.13	.13	.13
Pine Lake	200	.05½	.05½	.05½
Rice Lake	400	.02½	.02½	.02
Sachigo	117	17.50	14.75	15.00
Star Lake	1,000	.02	.02	.02
United Grain	26	10.00	10.00	10.00
Wpg. R. Tin	500	.02	.02	.02
Wylie Dom.	3,700	.30½	.29	.30
Wingold	7,100	.05½	.04½	.05
Wings, Ltd.	235	1.45	1.20	1.20
West. Breweries	100	1.30	1.30	1.30
Traders Bldg.	17	92.00	92.00	92.00
West. Steel, pf.	1	10.00	10.00	10.00

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire Insurance	..	100
Can. Indemnity	125	..
Dom. Envelope,	3⅛	4
Do., pref.	93½	95½
Federal Grain, pfd.	43	..
Northern Can. Mtge., pf.	3	..

*Stocks more active on other exchanges not included.

Foreign Bonds

			1937 High	1937 Low	Close May 25
Argentine, A	6%	'57	102¾	101⅛	101⅛
Argentine	6%	'60	103¼	100½	101 11/32
Argentine	6%	'61	102¾	101	101 11/32
Australian	5%	'57	110	104⅜	106⅜
Brazil	6½%	'57	47⅞	35	38
Buenos Aires	6%	'60	102	100	100½
Chile Rep.	6%	'61	21⅞	15⅝	18⅛
Colombia	6%	'61	38	28⅜	30
German Govt.	5½%	'65	31½	20½	31½
German (stamped)	7%	'49	34	27⅛	33¾
Italy	7%	'51	93½	80	87
Japan	5½%	'65	86¼	79½	86¼
Norway	4½%	'56	104¼	101½	104
Peru Nat. L'n	6%	'60	26	17¾	20¼
San Paulo	7%	'56	36¼	25	26¾
Serbs, C. & S.	8%	'62	31⅞	25½	28¼
Uruguay	6%	'60	70	63⅜	67¼

Public Utility Earnings

Brazilian Traction

April:	$ 1937	$ 1936	$ Increase
Gross earn.	3,108,668	2,515,337	593,331
Oper. exp.	1,398,506	1,134,006	264,500
Net earn.	1,710,162	1,381,331	328,831
Four Months:			
Gross earn.	11,763,010	9,921,954	1,841,056
Net earn.	6,325,081	5,349,860	975,221

B. C. Power

April:	$ 1937	$ 1936	$ Increase
Gross earn.	1,242,203	1,165,957	76,246
Oper. exps.	914,768	823,933	90,835
Net earn.	327,435	342,024	*14,589
Ten Months Ended April 30:			
Gross earn.	12,483,463	11,629,916	853,547
Oper. exps.	8,630,594	7,895,714	784,880
Net earn.	3,802,869	3,734,202	68,667

*Decrease.

Investment Trusts

	Bid	Asked
Can. Amer. Trust	4.50	4.80
Can. Invest. Fund	4.40	4.80
All Can. Trustee	14.25	14.75
Trans-Canada	...	14.95
Grouped Income Ex. Coup.	6.29	6.90
Can. Equity	13.50	....
Can. Int. Tr., modified	6.12	6.62
Do., unmodified	5.75	6.25

Listed Bonds

Week Ended May 24, 1937

	Int. rate	Due	High	Low	Range 1937 High	Range 1937 Low
Mtl. L. H. & P. Debs.	3	'39	30½	30½	30½	30½

Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad., $1.75. Three insertions for the price of two. Add five words when box number is required. Classified ads. payable in advance.

For Sale

$870.00 cash interest in Muskoka property. Sacrifice for quick sale. Box 61, The Financial Post, Toronto.

Attention!

EXECUTIVES and office managers. Young man—8 years experience cost and general accounting—wishes to become associated with a reputable manufacturing company or an investment house. Moderate salary in exchange for a position with a future. Box 55, The Financial Post, 481 University Ave., Toronto.

EXECUTIVE AVAILABLE

FINANCIAL AND ACCOUNTING Executive with well balanced training is available for responsible position. Have successful background of rich and varied experience together with a thorough understanding and appreciation of the fundamental principles of business. Know how to deal effectively with the many problems relative to Organizing, Administration, Finance, Budgetary Control, Accounting, Cost Work, Investigations, Production and Marketing. Readily adaptable to new circumstances, young, married, and can furnish excellent credentials. Replies confidential. Box 59, Financial Post, Toronto, Ont.

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 201

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st May, 1937, and that the same will be payable at the Bank and its Branches on and after Tuesday, 1st June next, to shareholders of record at the close of business on the 30th April, 1937. The Transfer Books will not be closed.

By Order of the Board,

A. E. ARSCOTT, General Manager.

Toronto, 23rd April, 1937.

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid-up capital stock of this Institution has been declared for the quarter ending 30th June, 1937, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Friday, the 2nd day of July, 1937, to shareholders of record of the 19th June, 1937.

By Order of the Board.

DUDLEY DAWSON, General Manager.

Toronto, 13th May, 1937.

Reno Gold Mines Limited N.P.L.

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of three (3c) cents per share has been declared payable to shareholders of the Company of record as such on the books of the company at the close of business on Thursday, the 10th day of June, 1937, and that the dividend will be payable on or after the 2nd day of July, 1937.

The Register of Transfers will be closed at the close of business on the 10th June, 1937, until the opening of business on the 21st June, 1937.

By Order of the Board.

W. A. SUTTON, Secretary-Treasurer.

Vancouver, B.C., May, 1937.

The Montreal Cottons Limited

NOTICE IS HEREBY GIVEN THAT A DIVIDEND OF ONE HALF OF ONE PER CENT (½%) has been declared upon the Common Stock of the Company, and cheques will be mailed on the fifteenth day of June next, to shareholders of record at the close of business on the 31st day of May, 1937.

By Order of the Board,

CHAS. GURNHAM, Secretary-Treasurer.

Valleyfield, May 20th, 1937.

The Montreal Cottons Limited

NOTICE IS HEREBY GIVEN THAT A QUARTERLY DIVIDEND OF ONE AND THREE QUARTERS PER CENT (1¾%), being at the rate of seven per cent (7%) per annum, has been declared upon the preferred stock of the Company, and cheques will be mailed on the fifteenth day of June next, to shareholders of record at the close of business on the 31st day of May, 1937.

By Order of the Board,

CHAS. GURNHAM, Secretary-Treasurer.

Valleyfield, May 20th, 1937.

CANADA PERMANENT MORTGAGE CORPORATION

Notice is hereby given that a Dividend of TWO PER CENT on the paid-up Capital Stock of the Corporation has been declared for the current quarter, and that the same will be payable

FRIDAY, THE SECOND DAY OF JULY

next, to Shareholders of record at the close of business on the Fifteenth day of June, 1937.

By order of the Board.

WALTER F. WATKINS, Secretary.

Toronto, May 19th, 1937.

Week in Wheat

Western Crop Outlook Improved by Rainfall

Prices Dip Sharply Following Rains in Saskatchewan and Alberta — Export Buying Temporarily Suspended

From Our Own Correspondent

WINNIPEG.—Outlook for western Canada's wheat crop was greatly improved by a change in weather this week which brought widespread rains.

Greatest improvement was in Alberta, where all parts of the province are now well supplied with moisture. Rainfall was decidedly less over the greater part of southwestern Saskatchewan where drought conditions have been the worst, but most districts had enough to check deterioration. Lack of subsoil moisture in that part of the country, however, leaves the crop dependent on a succession of rains during the growing season.

The Manitoba crop is furthest advanced and over practically the whole of that province current conditions are quite satisfactory.

Sensitiveness of the wheat market to weather conditions was illustrated on Tuesday when prices declined five cents a bushel on all deliveries because of rains in Saskatchewan and Alberta on the holiday. Cash wheat and the May and July deliveries were equally affected, although in the districts where rain was most important the crop is hardly sprouted.

Export buying of Canadian wheat, which had been in fair daily volume last week, was suddenly suspended while overseas buyers paused to collect more information on the outlook for the new crop.

Forward Buying

Steady buying of October wheat has been in progress in the Winnipeg pit. Unexpectedly heavy demand for the deferred futures has been one of the reasons for a narrowing spread between May and July wheat and the more distant month.

Some of the buying appears to be definitely for export shipment. Another portion is part of a spreading operation between Winnipeg and Chicago. A class of transactions intermediate between the two consists essentially of the purchase of Canadian wheat by exporters, and hedging it in the Chicago market. This provides a basis, presumably, on which export business can later be done, even when Chicago prices are out of line with Liverpool.

• • •

Wheat Board Surplus

The market credits the Canadian Wheat Board with still having about 10 million bushels of Canadian wheat. Most of this, it is thought, is in the form of July futures, although the Board is believed to have taken delivery of some millions of bushels on the May contract. The assumption is that this was done to ensure having wheat for sale to meet demand during the current month.

It is believed sales are being made fairly steadily, and the general opinion is that the Board is likely to be entirely out of its holdings before the first of July. Thus there will be no occasion for it to take delivery on the July contract.

• • •

U. S. Milling

Absorption of Canadian wheat in United States milling is now reduced to a minimum with the approach of harvest in the hard winter wheat area of the southwestern states. Much of the Canadian wheat United States mills have been carrying in Buffalo and other eastern ports has been turned back into export channels, as fears of another shortage of hard wheat in that country have disappeared. Several hundred thousand bushels of Canadian wheat are taken out of bond each week, but only for immediate milling and sale.

• • •

Foreign Prospects

Brazil continues to take Argentine wheat at practically the usual rate, but shipments from Argentina to Europe have fallen to a very low level, and must soon cease entirely if that country is to maintain sufficient stocks to supply Brazil until the end of 1937.

Australia has been shipping wheat in unusually large quantity, an indication that seeding conditions for the new crop are considered to be satisfactory. Both farmers and merchants in Australia have a tendency to withhold sales and shipments at this time of year whenever there is nervousness about new crop production.

DIVIDEND NOTICES

DIVIDEND NOTICE

HIRAM WALKER-GOODERHAM & WORTS LIMITED

DIVIDEND NO. 44

A quarterly dividend of 25¢ a share has been declared on the outstanding no par value Cumulative Dividend Redeemable Preference Stock of this company, payable Tuesday, June 15, 1937 to shareholders of record at close of business on May 21.

DIVIDEND NO. 45

A quarterly dividend of 50¢ a share has been declared on the outstanding no par value Common Stock of this company, payable Tuesday, June 15, 1937 to shareholders of record at the close of business May 21.

By Order of the Board.

FLETCHER RUARK, Secretary.

Walkerville, Canada

May 4, 1937

Dominion Textile Co. Limited

Notice of Preferred Stock Dividend

A DIVIDEND of One and Three Quarters per cent. (1¾%) has been declared on the Preferred Stock of DOMINION TEXTILE COMPANY, Limited, for the quarter ending 30th June, 1937, payable 15th July, 1937, to shareholders of record 30th June, 1937.

By order of the Board,

L. P. WEBSTER, Secretary.

Montreal, May 20th, 1937.

Dominion Textile Co. Limited

Notice of Common Stock Dividend

A DIVIDEND of One Dollar and Twenty-five cents ($1.25) per share, has been declared on the Common Stock of DOMINION TEXTILE COMPANY, Limited, for the quarter ending 30th June, 1937, payable 2nd July, 1937, to shareholders of record 15th June, 1937.

By order of the Board,

L. P. WEBSTER, Secretary.

Montreal, May 20th, 1937.

RELIANCE GRAIN COMPANY LIMITED

PREFERENCE DIVIDEND No. 38

NOTICE is hereby given that a dividend for the quarter ending May 31st, 1937, at the rate of 6½% per annum, will be paid on June 15th, 1937, to all preference shareholders at record at the close of business on May 31st, 1937.

By order of the Board,

A. W. GIBB, Secretary.

Winnipeg, May 13th, 1937.

Goderich Elevator Earnings Much Lower

Goderich Elevator and Transit Co. reports net profit equal to 31 cents a share for the year ended March 31, 1937, compared with 83 cents a share in the preceding year.

After payment of dividends, surplus is reduced to $67,830 from $100,835 at March 31, 1936. Working capital also shows a reduction, being $33,159 at March 31, 1937, against $42,969 a year earlier. The company has no bank loans or funded debt.

Commenting on the sharp reduction in earnings, G. L. Parsons, president, said that this was due to rapid movement of grain in storage at the end of the last fiscal year into regular markets. After Sept., 1936, there was very little grain in storage and future revenue is dependent on good crops in Canada.

Income Account
Years Ended March 31

	1937 $	1936 $
Gross income	121,978	177,678
Less: Oper. exps.	65,099	62,213
Net earnings	56,879	115,465
Less: Deprec., taxes, int., etc.	30,821	45,741
Net profit	26,058	69,724

DIVIDEND NOTICES

Chartered Trust and Executor Company

Notice is hereby given that a dividend of 1% has been declared on the paid-up Capital Stock of Chartered Trust and Executor Company for the quarter ending June 30th, 1937, payable July 2nd, 1937, to shareholders of record at the close of business June 15th, 1937.

By Order of the Board.

E. W. McNEILL, Secretary.

Dated at Toronto, May 21st, 1937.

Canadian General Electric Company, Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of one dollar and fifty cents per share for the quarter ending June 30, 1937, has been declared on the Common Stock of the Company.

The above dividend is payable on July 2, 1937, to shareholders of record at the close of business on June 15, 1937.

By order of the Board.

W. H. NESBITT, Secretary.

Toronto, May 21, 1937.

A. J. Pattison, Jr. & Co. Limited

Established 1907

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Royal Bank EL. 5101 TORONTO

SPEAKS IN CANADA

Dale Carnegie, author of "How to Win Friends and Influence People," the season's best seller in the non-fiction group, is lecturing in Toronto on June 2 and 3. His book, which is widely used by business and industrial firms for its sales and personnel technique, was recently the subject of a feature article in The Financial Post.

Pool Elects New Officers

Englishman and Maritimer Elected in Saskatchewan

From Our Own Correspondent

REGINA. — John Henry Wesson, native of Sheffield, Eng., and A. F. Sproule, from Cumberland County, N.S., are the two men in whose hands rests the destiny of the Saskatchewan wheat pool. Mr. Wesson was elected to fill the presidency, vacant through the death of L. C. Brouillette, and Mr. Sproule, a former director, has taken Mr. Wesson's place as vice-president.

Mr. Wesson farms with two brothers in Maidstone, north of Saskatoon, was a director with the Saskatchewan Grain Growers' Association until formation of the pool. In 1924 he became pool director for his district. He became vice-president when Mr. Brouillette succeeded A. J. Macphail. Mr. Wesson is also a member of the Central Selling Agency and president of the Canadian Chamber of Agriculture.

Mr. Sproule, farming at LaFleche in the southern drought area has not had a crop for seven years. He took an intensive interest in the formation of the pool and was for many years head of the LaFleche co-operative association.

Future Policy

These appointments are in line with expectations, and indicate a continuity of policy and ideas in pool direction. Both Mr. Wesson and Mr. Sproule took a prominent part in the campaign for a compulsory pool in Saskatchewan, and later for a compulsory wheat board under government control. Mr. Wesson's election came when he was on the stand before the Turgeon Commission, presenting a brief in favor of a compulsory wheat board.

A revival of pooling in Saskatchewan appears to be out of the question. The position to which the directorate of the pools is now committed is that pooling has been proven by experience to be impracticable. If the current campaign for a compulsory wheat board fails, it is presumed that the efforts of the Saskatchewan Pool will be principally devoted to the operation of the elevator system which it now controls. This consists of more than 1,000 country elevators and several large terminals at the head of the lakes. In addition, there is a terminal elevator at Buffalo, which is now leased to other interests.

Other Lines of Business

There is also a question as to the extent to which the Pool will go into other lines of business. Authority to use the reserves of the organization for purposes other than the grain business was obtained at the last session of the Legislature, provided that consent of two-thirds of the members' delegates is obtained at the next annual meeting.

Insurance is one of the lines contemplated, as is merchandising. The Saskatchewan Retail Merchants Association unsuccessfully opposed the Pool application to the Legislature for this authority.

At a meeting last week the Merchants Association discussed a possible campaign during coming months among pool members to oppose use of reserves for merchandising purposes, and development of a demand among members for a return to them of money not required for the grain business.

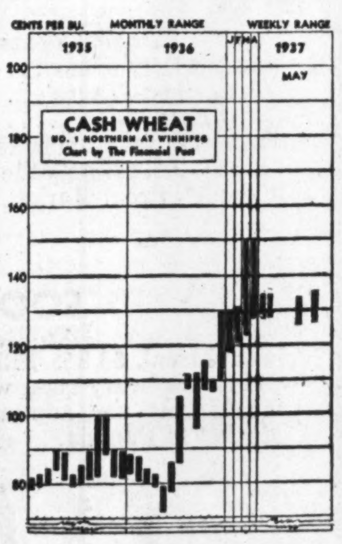
Although any formal campaign in this direction is unlikely, the question is likely to get a good deal of discussion in the near future.

Dividends Declared

	This payment	Date payable	Date of record
Agnew-Surpass, pf.	$1.75	July 2	June 15
Aluminium, pfd.	$1.50	June 1	May 15
Do., arrears	$3.75	June 1	May 15
Andian National	$1+$1	June 1	May 20
Anglo Huronian	20c	June 1	May 15
Anglo Can. Tel., A	12½c	June 1	May 15
Bank of Canada	$1.12	July 1	May 31
Bk. of Nova Scotia	$3	July 2	June 15
Barkers Bread, c.	8c	June 1	May 20
Brazilian Tr., ord.	50c	July 10	May 31
Biltmore Hats, pfd.	$1.75	June 15	May 15
Bright, T. G.	7½c	June 15	May 29
Do., pref.	$1.50	June 15	May 29
Bulolo Gold	$1.50	June 10	May 19
Bk. Can. Nationale	$2	June 1	May 15
Borden Co.	40c	June 1	May 15
Bk. of Toronto	$2.50	June 1	May 15
Bk. of Montreal	$2	June 1	Apr. 30
Beattie Gold	5c	June 1	May 15
B. A. Oil	25c	July 2	June 16
Can. Bk. of Comm.	$2	June 1	Apr. 30
Canadian Oil, pref.	$2	July 1	June 19
Cosmos Imp., pref.	$1.25	July 15	June 30
Celanese of Amer., part. pfd.	$3.50	June 30	June 15
Corr. Paper Box, pf.	$1.75	June 1	May 15
Crow's Nest Coal	$3	June 1	May 7
Canada Malting	37½c	June 15	May 31
Canada Vinegars	30c	June 1	May 15
Can. W. & Cable, pf.	$2	June 18	May 31
Can. Cottons	$1	July 2	June 18
Do., pref.	$1.50	July 2	June 18
Can. Gen. Elec.	$1.50	July 2	June 15
Can. For. Invest.	40c	July 1	May 15
Do., extra	40c	July 1	May 15
Do., pref.	$2	July 1	May 15
Catelli Food	25c	May 31	May 21
Do., pref.	38c	May 31	May 21
Canada Cement, pf.	$1	June 21	May 31
Can. Int. Inv. Tr., pfd.	$1.25	June 1	May 15
Cons. Div. Std. Sec. pfd.	37½c	June 15	June 1
Can. & Dom. Sugar	37½c	June 1	....
Do., extra	$1	May 15	May 5
Can. Perm. Mtge.	$2	July 2	June 15
Can. Canners, 1st p.	25c	July 2	June 15
Do. 2nd pfd.	15c	July 2	June 15
Dom. Textile	$1.25	July 2	June 15
Do., pref.	$1.75	July 15	June 30
Dom. Envelope, pf.	$3.50	June 30	May 20
Dominion Bank	$2.50	July 2	June 19
Dom. Scott. Inv., pf.	$1.75	June 1	May 20
Do., arrears	25c	June 1	May 20
Dominion Coal, pf.	38c	July 2	June 15
Dom. & Anglo Inv., pref.	$1.25	June 1	May 15
Do., on arrears	$1.25	June 1	May 15
Dome Mines	50c	July 20	June 30
Do., extra	$2	July 20	June 30
Electrolux	40c	June 15	May 14
Do., extra	10c	June 15	May 14
Falconbridge N.	7½c	June 30	June 3
Ford Motor	25c	June 19	May 29
Ham. Un. Theat., p.	$1.25	June 30	May 31
Hudson Bay M.	†75c	June 28	May 28
Int. Bronze, pref.	37½c	Apr. 15	Mar. 31
Do., partic.	25c	June 1	May 25
Do., com.	37½c	Apr. 15	Mar. 31
Do., partic	25c	Apr. 15	Mar. 31
Inter. Nickel, com.	50c	June 30	June 1
Imperial Oil	25c	June 1	May 14
Do., extra	37½c	June 1	May 14
Inter. Petroleum	75c	June 1	May 21
Do., extra	50c	June 1	May 21
Do., pref.	75c	June 1	May 21
Do., extra	50c	June 1	May 21
Inter. Mining, com.	15c	June 21	May 31
Kelvinator, pfd.	$1.75	Aug. 16	Aug. 5
Kerr Lake M.	5c	June 18	June 3
Kirkland L. G.	3c	June 1	May 8
Loblaw, A & B	25c	June 1	May 10
Do., extra	12½c	June 1	May 10
Lake of Woods Mill, pfd.	$1.75	June 1	May 15
Lake Shore Mines	$1	June 15	June 1
Do., extra	$1	June 15	June 1
Laura Secord	75c	June 1	May 15
Lava Cap M.	3c	June 30	June 10
Louisiana Land	10c	June 15	June 1
Melchers, pref.	30c	June 30	June 15
Do., class A (old)	▲50c	July 2	
McIntyre-Porc.	50c	June 1	May 1
McKenzie R. Lake	4c	June 15	June 1
McKinley Min. Sec.	2½c	June 1	May 15
McColl-Fron.	10c	June 15	May 15
Montreal Cottons	50c	June 15	May 31
Do., pref.	$1.75	June 15	May 31
Mtl. Loan & Mtge.	50c	June 15	May 31
Nat. Grocers, pfd.	‡$3.50	June 1	May 25
New Meth. Ldy., p.	$1.62½	June 1	May 20
Nor. Can. Mining	2c	June 1	May 8
Nat. Biscuit, pf.	$1.75	May 29	May 12
N. S. Light & Pr. pfd.	$1.50	June 1	May 15
Ogilvie Flour, pfd.	$1.75	June 1	May 21
Pioneer Gold	10c	July 2	June 1
Placer Develop.	*60c	June 10	May 19
Provincial Bank	$1.50	June 1	May 15
Premier Gold	3c	July 15	June 15
Do., extra	1c	July 15	June 15
Rolland Pap., pref.	$1.50	June 1	May 15
Royalite Oil	50c	June 1	May 15
Do., extra	25c	June 1	May 15
Royal Bank	$2	June 1	Apr. 30
Regent Knit., pf.	40c	June 1	May 15
Reinhardt Brew.	*15c	June 1	May 15
Reno Gold	3c	July 2	June 10
R. S. Silk, A	50c	July 2	June 15
Sec. Can. Int. Inv. pref.	*10c	June 1	May 15
Stuart, D. A., pf.	20c	June 1	May 17
Sher.-Williams, pf.	$1.75	July 2	June 15
Sullivan Cons. M.	2½c	June 15	May 31
Sylvanite Gold	5c	June 30	May 22
Stand. Steel, A pf.	75c	July 1	June 15
Do., arrears	75c	July 1	June 15
Tuckett Tob., pf.	$1.75	July 15	June 30
Vulcan Oils	5c	June 15	June 1
United Amuse., A, B	30c	May 31	May 15
Toronto Elev., pref.	66c	June 7	May 22
Tuckett Tob., pfd.	$1.75	July 15	June 30
Union Gas	15c	June 15	May 22
Walker-G. & W., pf.	25c	June 15	May 21
Do., com.	50c	June 15	May 21
Weston, Geo., c.	20c	July 2	June 19

†Interim. *Initial. ‡On arrears.
▲Capital distribution under recapitalization plan; 50 cents to be paid July 2 and $3 paid early in 1987.

Wheat Prices



(Cash Quotations)

	For Week May 25 High	For Week May 25 Low	Prev. Week High	Prev. Week Low
1 Man. Hard	1.37½	1.28¾	1.35¼	1.26⅝
1 Northern	1.37½	1.28¾	1.35¼	1.26⅝
2 Northern	1.34¾	1.28¾	1.32⅝	1.23⅞
3 Northern	1.32½	1.28¼	1.30¾	1.21⅛
4 Northern	1.27½	1.18¾	1.26	1.17⅝
5 Wheat	1.22½	1.13¾	1.21¼	1.12⅝
6 Wheat	1.16½	1.07¾	1.14¼	1.05⅝
Feed Wheat	.90½	.82¾	.90¼	.81⅝
Vancouver: Week to May 23:				
1 Northern	1.32	1.28¼	1.25⅞	1.21⅝

Competitive Export Prices:

May shipments—	Week to May 21 High	Week to May 21 Low
No. 1 Nortn. (afloat)	unquoted	
No. 1 North. (Atlan.)	1.54¾	1.49
No. 2 North. (Atlan.)	1.52½	1.47⅝
West Australian (afloat)	1.46¼	1.42
Australian*	1.44¾	1.40½
Argentine Rosafe	1.44	1.39¼
Indian (new crop)†	1.41¾	1.39¾

†June shipment. *May-June.

Winnipeg Grain Futures

Week to May 25, 1937

Crop year from Aug. 1, 1936 High	Crop year from Aug. 1, 1936 Low		Open May 19	High for week	Low for week	Close May 25
		Wheat				
1.51⅝	1.05⅝	May	1.36¾	1.37½	1.28¾	1.28¾
1.47	1.03¾	July	1.35	1.35¼	1.27⅝	1.27⅝
1.31⅛	1.04⅛	Oct.	1.24⅝	1.25¼	1.18½	1.18½
		Oats				
.63⅝	.42¼	May	.57⅝	.57⅞	.55⅝	.55⅝
.60¾	.43⅝	July	.53¾	.53⅞	.51⅞	.52
.54¾	.42¼	Oct.	.46	.46¼	.44	.44
		Barley				
.88⅞	.50⅞	May	.73	.73	.68½	.68½
.82½	.56¾	July	.69¼	.69½	.65½	.65½
.75¼	.51	Oct.	.57	.57½	.55¼	.55⅝
		Flax				
2.03½	1.60½	May	....	1.77½	1.70½	1.70½
2.05	1.63¾	July	1.79	1.79½	1.71½	1.71½
2.01	1.68	Oct.	1.78	1.78	1.71	1.71
		Rye				
1.21¼	.62⅝	May	1.17	1.17½	1.12½	1.12½
1.19	.78¼	July	1.09¼	1.11⅛	1.07⅝	1.07⅝
1.04⅛	.83	Oct.	.90¼	.90⅝	.87½	.87½

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Belgians Seek Larger Market

Would Sell More Glass and Textiles to Canada

A larger Canadian market for Belgian plate and window glass, textiles and steel sheets, rods and bars through possible tariff revisions is one object of the visit to Canada of 20 leading Belgian executives and industrial leaders now visiting the chief business centres of the Dominion.

Canada sells Belgium wheat, canned salmon, meats, implements and asbestos, but the balance of trade is so largely in favor of the Dominion that observers believe some concessions will be necessary to maintain Belgian outlets for Canadian products.

Although Canada is an important buyer of Belgian plate and window glass, zinc sheets and plates, textile goods and hatters' furs, these are still only about one-fourth of the value of Canadian goods sold to Belgium. In the last 15 years total trade between the two countries averaged between $25 millions and $35 millions a year and in the fiscal year ended last March Canadian sales to Belgium totalled $23.5 millions against only $6.7 millions in Belgian exports to this country. Trade has been carried out on the basis of an agreement approved by parliament in 1924 providing most-favored-nation treatment for both countries.

Glass is Stumbling Block

Plate and window glass are the products which threaten to cause difficulty. Canadian purchases are about evenly divided between England and Belgium notwithstanding the 25% preferential tariff for English glass. The international cartel has, however, frequently made tariffs a minor consideration and it is possible that some tariff concessions on Belgian plate and window glass and similar concessions affecting certain Belgian steel products and textiles might be found necessary in order to maintain the existing volume of trade between the two countries.

Radio Transmitter To Be High-Power

New C.B.C. Units Will Be of Latest Design

Single-tower type radio transmitters, of the newest and most powerful design yet erected in Canada, will go into operation at Vercheres, Que., and Hornby, Ont., on Oct 1. The units will be of 50,000 watts capacity and will probably operate 16 hours a day.

The new transmitters will stand on sites of about 50 acres and the single towers of the radiometer type, will stand over 620 feet high. The new Hornby unit will replace the Bowmanville transmitter of the C.B.C. Toronto Station (CRCT), now rated at 5,000 watts.

The other large Toronto station (CFRB) has a 10,000-watt capacity. Most powerful station in Canada at present is CKAC, Montreal, with 20,000 watts.

The other new transmitter, at Vercheres, Que., will become the outlet for the C.B.C. Montreal station, CRCM. Plans are under consideration for two additional high-powered stations, one in British Columbia and one to serve the Prairie Provinces. These may not be erected for three years.

Expect Pattullo To Come Back In B.C. Voting

Return of Liberals With Reduced Majority Is Predicted

From Our Own Correspondent

VANCOUVER.—On the eve of the provincial elections Premier Pattullo's Liberals still seem to have a distinct edge, although there is a general feeling that his majority will be severely reduced.

One of the most potent factors in the Liberal campaign has been the assurance of an extensive road construction programme, which will get under way in all the important sections of the province in a few weeks.

The Government is counting on its financial record to pull it through. It has admittedly one of the most astute finance ministers B. C. has ever had in John Hart, unyielding champion of sound money and orthodox financing, who claims that the province's credit new stands higher than ever before and quotes the low interest rate on recent loans to prove it.

Yukon Scheme

Mr. Pattullo, who has been touring the country by airplane, has stressed the importance of his better terms fight. He still seeks additional concessions from Ottawa and will interpret victory as a mandate to continue his agitation. He defends his Yukon annexation scheme, declaring that it is unthinkable that 4,000 people living in the Yukon should have the only voice in determining the destiny of a great territory potentially rich. He believes that Yukon's taxation questions can be satisfactorily settled by the House of Commons and the Legislature.

He has flatly declared that his Government will not establish a public utilities commission, for the present anyway, saying that it would cost $500,000 to gather the essential information on which such a commission would be based.

"But we realize that light and power rates should be reduced," he says, "even though street car rates may be fair enough. We may have to establish a commission eventually."

The Conservatives, led by Dr. Frank Patterson, Vancouver, surgeon, attack the Pattullo financial record on the ground that at a time when provincial revenues are at their peak it has been necessary to continue borrowing. The Conservatives also point out that the Hart budgets have shown an artificial balance inasmuch as no provision is made for the mounting costs of unemployment relief.

An interesting development of the last few weeks of the campaign has been the entry of the Social Credit League of B. C. with 17 candidates who deny association with the Aberhart movement.

Leopold A. Renaud, managing director of Comptoir National de Placement Ltée., Montreal, has been elected a director of Melchers Distilleries Ltd.

Melchers Starts New Dividends

From Our Own Correspondent

MONTREAL.—Directors of Melcher's Distilleries Ltd. have declared a dividend of 30 cents a share, being the first semi-annual payment of the 6% cumulative dividend on the preferred shares. This dividend will be payable on June 30 to shareholders of record at the close of business on June 15.

Shareholders who have not yet exchanged their old class A shares for the new preferred shares of the company, says Hon. Victor Marchand, president, should do so, as only those who are actual holders of the preferred shares will be entitled to participate in this dividend.

Can. Cottons Policy Backed

Shareholders Approve Plan of Inventory Values — Sales Higher

From Our Own Correspondent

MONTREAL.—Sales of Canadian Cottons Ltd. to date this year are practically double the corresponding period of last year, according to a statement made at the annual meeting by President A. O. Dawson. In view of the improvement in the company's outlook, he said, the board might soon be in a position to consider an increase in the common dividend.

Because of recent criticisms directed at the company's methods of valuing inventories, the shareholders unanimously passed a resolution approving the policy, as follows:

"That the shareholders of this company approve of the action of its directors in valuing the company's inventories on a conservative basis for the purpose of the preparation of the company's statements as being in the best interests of the company and of all persons interested therein.

Shareholders Satisfied

"That in particular the shareholders are satisfied that any statements which would follow the fluctuations of the markets in valuing the company's supplies of raw materials so as to show substantial profits in a speculative period followed by corresponding losses in a period of reaction would convey a wrong impression to them of the real position of the company and would be detrimental to their best interests and that the shareholders approve of the action of the directors in carrying stocks of raw material on the books of the company on a basis of five cents per pound or on such other basis as the directors may from time to time determine.

"That the shareholders are satisfied that the company's stock of finished goods, goods in process, etc., must be similarly protected so that where substantial stocks are carried these should not be relied upon to realize full listed selling value but should be subjected to a liberal discount to arrive at their true value and the shareholders approve of the action of the directors in carrying finished goods, etc., at their listed selling price less a substantial discount to be determined from time to time at the discretion of the directors."

Dominion Stores Sales Decrease

Reduction in Number of Stores is Important Factor

Dominion Stores Ltd. reports a slight decline in sales in the four-week period ended May 17. Sales for the period totalled $1,515,533 as compared with $1,517,152 in the corresponding period of 1936, a decrease of 0.11%.

Total sales for the first 20 weeks of 1937 amount to $7,540,598, an increase of 1.80%. Comparative figures are given below:

Monthly Sales (Subject to final adjustment)

Four week period ended:	1937 $	1936 $	Incr. %
Jan. 23	1,457,927	1,413,478	3.14
Feb. 20	1,474,990	1,452,088	1.58
Mar. 20	1,544,860	1,513,367	2.08
Apr. 17	1,547,273	1,510,892	2.41
May 15	1,515,533	1,517,152	†0.11
	7,540,588	7,407,077	1.80

†Decrease.

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MONTREAL

The Fiftieth Annual Report for the year ended 31st December, 1936.

Total Assets Exceeded	$122,488,000
Income for the Year Exceeded	18,223,000
Ordinary Branch New Business for 1936 Exceeded	34,297,000

THE RATIOS OF EXPENSES TO INCOME
Ordinary Branch: 10.04% of Income.
Industrial Branch: 25.07% of Income.

RATES OF INTEREST EARNED
Ordinary Branch: 5.00%; Industrial Branch: 4.87%

The rate of Ordinary Branch bonuses continues on the same high scale as before, which means a further increase where no previous bonus has been surrendered.

Stobie-Forlong Pays Four Cents to Creditors

Creditors of Stobie-Forlong Assets Ltd. will receive a payment of four cents on the dollar on June 14, 1937. The total payment being made at this date will be 4.02 cents on the dollar but ½% goes to pay government levy for bankruptcy costs. Distribution at this time will total about $160,000.

Four previous payments have been made to creditors of the bankrupt estate, amounting to 11 cents on the dollar, after deducting the government levy. After the June 14 payment, creditors will have received 15 cents on the dollar.

Stobie-Forlong Assets Ltd. is the remaining estate of the former Toronto stock exchange firm of Stobie-Forlong & Co. Debentures have been issued to ordinary creditors whose claims have been proved. At present approximately $4 millions of these debentures are outstanding.

Company Reports

Postal Telegraph

Deficit of Postal Telegraph and Cable Corp. for 1936 was less than half the 1935 loss, amounting to $683,672 as compared with $1,418,052 in 1935. The improvement in operating results was entirely due to increased revenues. Working capital also shows substantial betterment.

A reorganization plan for the company is expected this year. The engineering firm of Sanderson & Porter has completed its survey of the company's properties and its report is now in the hands of the trustees.

Consol. Income and Surplus Account Years Ended Dec. 31

	1936 $	1935 $
Gross earnings:		
Telegraph, cable & radio	29,815,066	27,952,433
Dividends	300,075	450,738
Interest	6,990	13,258
Miscellaneous	234,249	209,366
	30,356,380	28,625,795
Less: Oper. & gen. exp. & taxes	26,461,159	25,398,839
Deprec., renewals & replace.	1,845,473	1,828,293
	2,049,747	1,398,663
Less: Gen. int. & chgs. of assoc. cos.	199,387	278,500
Net earnings	1,850,360	1,120,163
Less: Bond & deb. int.	2,537,032	2,538,215
Net loss	686,672	1,418,052
Add: Prev. surp. paid-in	‡770,423	647,629
Bal. carried forward	‡1,457,095	‡770,423

‡Deficit.

Working Capital

	1936 $	1935 $
Current assets	10,739,570	8,810,374
Current liabilities	4,726,750	4,298,257
Working capital	6,002,820	4,512,117

Great Lakes Power

Operations of Great Lakes Power Co., Sault Ste. Marie, continue to show improvement, net profit in the first quarter of 1937 amounting to $54,812 as compared with $38,046 in the first three months of 1936.

Higher profits are entirely due to increased revenue from power sales and lower interest charges as a result of the refinancing carried out last year. Operating expenses and taxes increased.

Comparative figures are given below:

Quarterly Earnings Three Months Ended Mar. 31

	1937 $	1936 $
Gross earnings:		
Electric	203,643	194,995
Hydraulic	15,695	15,714
Total oper. revenue	219,338	210,709
Add: Other income	237	154
Less: Oper. exps.	31,053	24,296
Maintenance	4,384	5,912
Depreciation	27,016	30,015
Taxes, prov. & local	14,215	13,195
Income taxes	11,090	6,202
Net earnings	131,817	131,243
Less: Int. on funded debt	70,156	21,352
Gen. interest	......	71,801
Amort. of debt disc. & exp.	6,763	......
Taxes assumed on int.	86	44
Net profit	54,812	38,046
Less: Pref. divds.	13,125	13,125
Surplus for period	41,687	24,921
Times All Interest Earned:		
Before amort., disc. & exp.	1.88	1.41
After amort., disc. & exp.	1.78	1.41

Club Redeems Bonds

On July 1, 1937, The Mississauga Golf and Country Club Ltd., Port Credit, Ont., is redeeming the remaining $24,000 of its 6% serial bonds at 100 and accrued interest. Payment is to be made at the office of the National Trust Co., Toronto, or the Yonge and Queen Sts. branch of the Imperial Bank.

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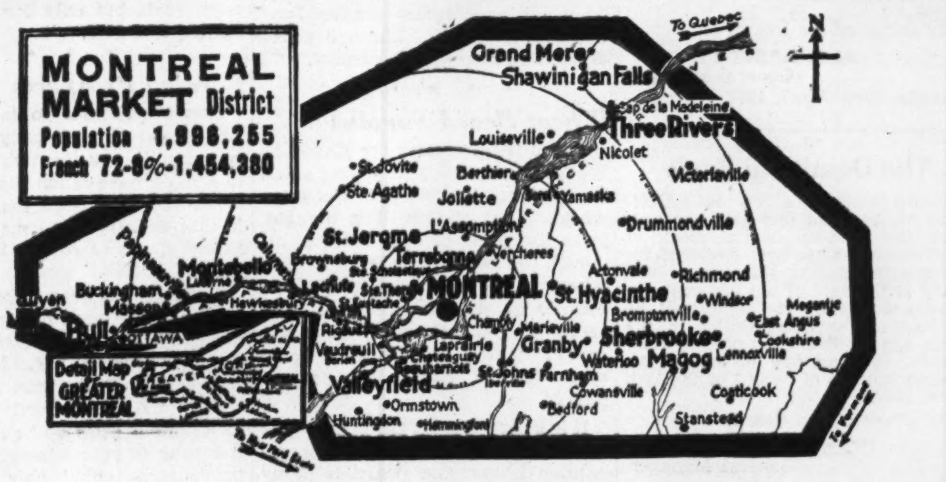
MONTREAL MARKET DISTRICT



Greatest Concentration of Population in Canada

1,996,255

72.8% FRENCH

with its Industrial Payrolls, Salaries and Dividends

Montreal is the foremost manufacturing city in Canada and with the smaller cities included in the Metropolitan area, produces annually $492,290,720

The industrial activity of the score of nearby cities and towns (from Hull on the West to Trois-Rivières on the East, and South to the Border) contributes to the total another 186,591,135

In no other section of Canada have payrolls, salaries and dividends proven more stable than in the Montreal Market District — largely due to the inborn steadiness of the French Canadian workman.

PULP & PAPER
(CANADA'S LARGEST SINGLE INDUSTRY)

In the district which includes Grand'Mère, Trois-Rivières, Shawinigan Falls (all in the Montreal Market District) originates the major part of Quebec's production of pulp and paper, of which newsprint alone amounts to $47,724,091
Total production $64,820,519 (1935)
No. of employees 13,450
Salaries in 1935 .... $16,728,580

TEXTILES
$169,967,889

The Province of Quebec produces and fabricates almost one half of the textiles of the Dominion and almost all of the Province's textile activity, including spinning, weaving and the manufacture of clothing, is concentrated in the Montreal Market District.

TOBACCO
$31,995,548

The Province of Quebec manufactures 85% of the Dominion total, and of the 72 tobacco factories in the Province, 64 are in the Montreal Market District.
Employees 6,709
Wages $5,684,786

MANUFACTURING ESTABLISHMENTS

Number Establishments 5,324
Number Employees 138,157
Salaries and Wages $120,134,813
Gross Production $540,261,892
These figures, from latest Government returns (1933), include only the totals for the counties in the Montreal Market District.

The average wage paid in the industries of Montreal in 1933 was $927 per annum; throughout the Montreal Market District $870
The Montreal Market District is not identified with any ONE type of industry. It is the aggressive leader in many, such as: Electric Power Production, Textiles, Pulp and Paper, Tobacco, Clothing, Steel Fabrication, Cement, Paints, Shoes and Sugar Refining.
Retail sales figures show how these earnings in industry find their way into retail channels. Here are three major retail sales classifications in this District which are over 70% FRENCH.

RETAIL SALES (FROM 1930 CENSUS)

FOOD $159,772,000
In Montreal, 60.8% FRENCH, $125.00 per annum for every man, woman and child — the largest per capita Food Purchasing Market in Canada.

GENERAL MERCHANDISE $111,406,000
In the cities, the great department stores; at the rural crossroads, the general store, this tremendous amount of merchandise changes hands.

CLOTHING $50,136,000
Almost a million dollars a week is spent on the clothing worn by the men, women and children in this District — largely FRENCH speaking.

MONTREAL MARKET DISTRICT
1,996,255 Population — 72.8% FRENCH
WITH AN ANNUAL BUYING POWER OF $564,000,000.00

This FRENCH market responds excellently to sales and advertising plans fitted to its needs. Intelligent sales effort and organization backed by adequate advertising will make this French reading market yours.

For full information on marketing conditions, write the Business Manager, LA PRESSE, (Canada's French National Newspaper), Montreal, or
S. L. Rees, 213 Metropolitan Bldg., Toronto, Ont.
The Clougher Corporation Limited, 26 Craven St., London, W.C.2.
William J. Morton Co., New York Office: 200 Fifth Ave.
Chicago Office: 410 N. Michigan Ave.

YOU MAY BE STRONG ENOUGH IN ONE LANGUAGE, HOW ABOUT THE OTHER?

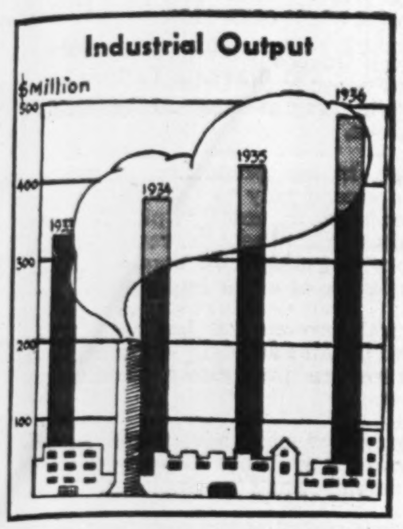
French Canada Supplement

Pages 19 - 23

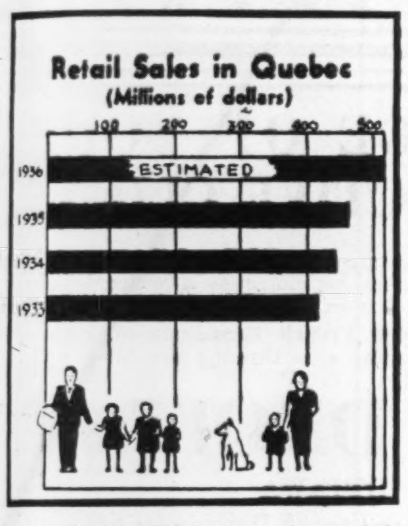
THE FINANCIAL POST

Vol. XXXI | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, MAY 29, 1937 | 10c a Copy; $5.00 a Year | No. 22

Quebec Responds to Business Recovery



Manufactures had a value last year of $470 millions, an increase of $50 millions over 1935 and $90 millions over 1934. Returns for 1933 totalled $336 millions.



Retail sales in 1935 had a value of $461.8 millions, despite low commodity values. This represents an increase over the $447.1 millions in 1934 and $421.1 millions in 1933.

WITH business recovery under way, exploitation of natural resources proceeding on a scale far greater than ever before, and with increased distribution of salaries and wages, Quebec's economic growth and market possibilities are of great importance to the manufacturer or distributor seeking to share in the recovery. As in other provinces, Quebec has its areas which have not fully recovered from the effects of the depression, but the gains made in the last year or two have put Canada's largest province in a much healthier position.

The newsprint industry is producing more paper now than at any time in its history. Output of the central electric stations, reflecting the demand for electric power by industry and domestic consumer, is a record level. Mineral development shows no signs of abatement. Increasing farm returns have bettered the buying power of the land worker. Industrial operations are improved, though the heavy industries are still somewhat backward. Employment is greater and retail trade has gone forward a long way from the low point of 1932.

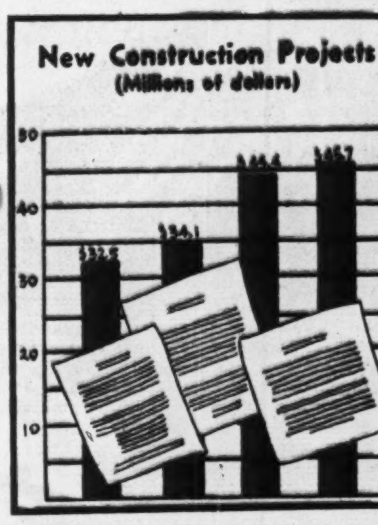
Quebec, with nearly three millions of people, differs from the other major markets in Canada because of a combination of geographic, racial and social reasons. Though the largest province in the Dominion, judged by land area, only a relatively small proportion is settled. To the north is the Saguenay and Lake St. John area; to the east, the Gaspé; to the south, the Eastern Townships, and to the west, the Ottawa Valley and the Gatineau. In the centre lies the rich St. Lawrence River Valley, one of the most thickly populated marketing areas in the country.

In order to bring about the proper development of the Quebec market, the distributor must keep before him the racial and social characteristics of the people. As the original establishment of the province was undertaken by French colonists, it is only natural that a majority of its inhabitants today should be French speaking. The last census shows that of the 2.8 million people in Quebec, all but some 600,000 are of French racial origin. One-third of the latter number are of English descent and 108,000 of Irish descent. The Scottish are well represented with 87,000, while the balance is made up of many nationalities.

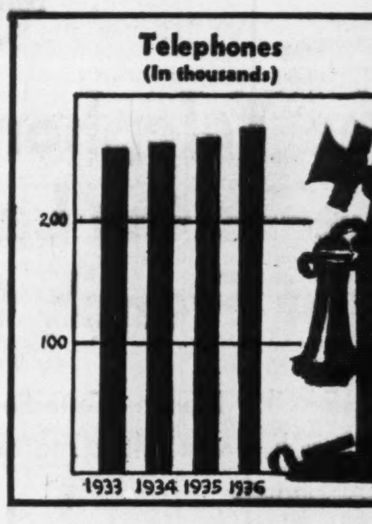
The spending power of the English-speaking Quebecker is probably greater on a per capita basis than elsewhere in the Dominion. However, the major share of the spending power of the important Quebec market rests, not with the English, but with the people of French origin. Many of them are familiar with the English language and respond to sales campaigns designed for English-speaking people, but the majority are definitely French in speech, thought and action and must be approached on a different basis.

No coverage of the Quebec market is complete without appealing to the French Canadian Quebecker. Further, this appeal must be based on an intensive study of the social characteristics of the people, as in many ways they are the opposite to those prevailing among English-speaking people in other provinces. This is not an insurmountable obstacle, as the large number of nationally-known distributors firmly established in Quebec is ample evidence of the fact that a proper study of the market has been made and fully rewarded.

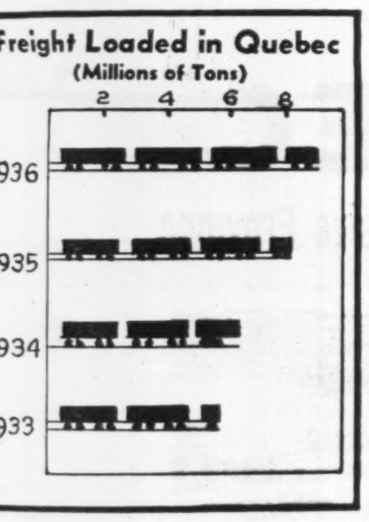
Another and most important factor bearing on the Quebec market is the changed political situation. Growth of a nationalistic spirit in recent years has culminated in the setting up of a new government and adoption of a platform which is not without significance to the manufacturer or distributor marketing his products in Quebec. Already the National Union Government has instituted reforms and adopted legislation which will have an important bearing upon the economic life of the province in the years immediately ahead. These policies and what they mean to the further economic growth of Quebec, as well as their significance to the individual or company interested in the marketing possibilities of the province, are treated extensively in this survey of Quebec — a $600 millions market.



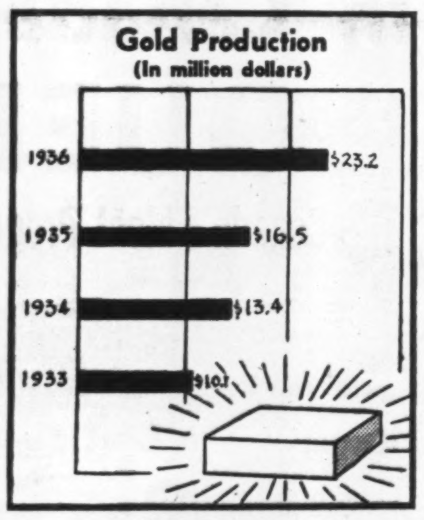
New construction undertaken in Quebec last year was valued at $45.7 millions. This was a small gain over 1935, but was nearly 40% higher than in 1934 and 1933.



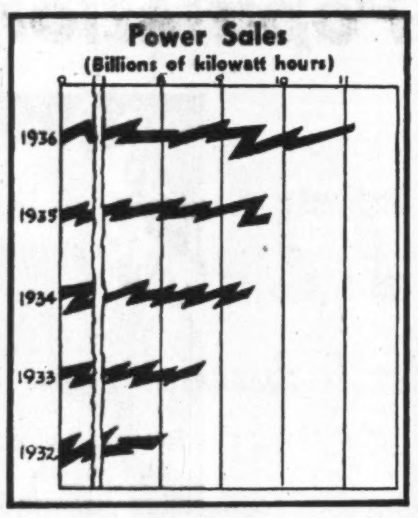
Though still below the record peak of 1929, telephones in Quebec numbered 269,000 in 1936; compared with 261,300 in 1935; 259,900 in 1934 and 259,500 in 1933.



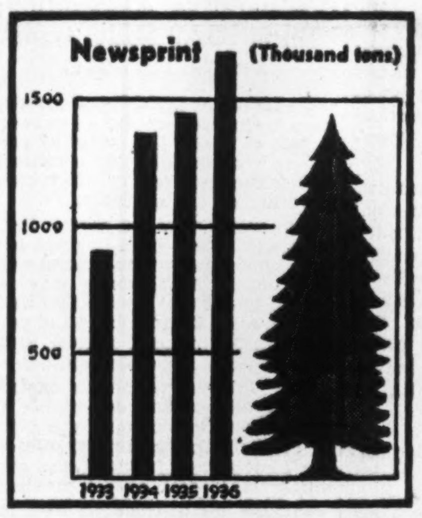
Revenue freight loadings in Quebec have moved up from 5.9 million tons in 1933 to 8.5 million tons in 1936. Compared with 1936, last year's returns gained 10%.



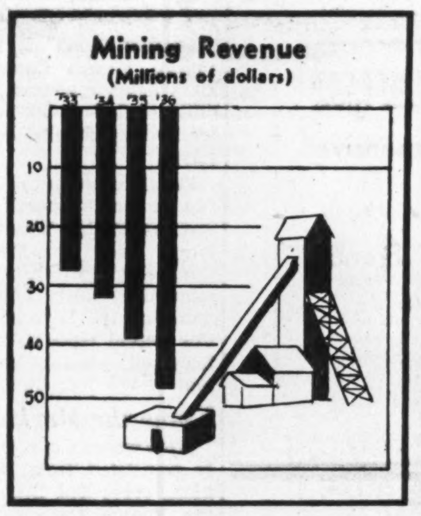
Gold production set a record of $23.2 millions last year. Since 1933 production has increased by more than 100%. Output for 1937 is expected to reach a new high.



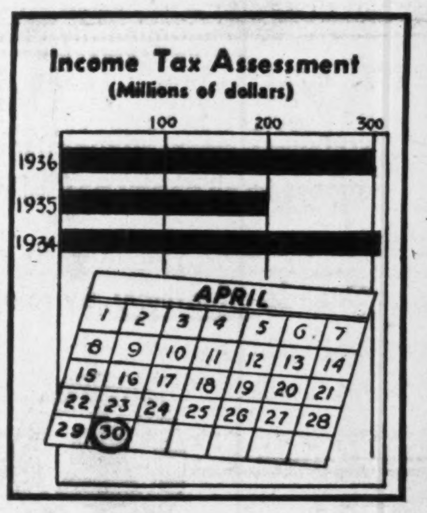
Central Electric stations generated 11.2 billion kw.h. in 1936. This contrasts with 9.9 billion kw.h. in 1935 and 9.6 billion kw.h. in 1934, and 8.5 billion kw.h. in 1933.



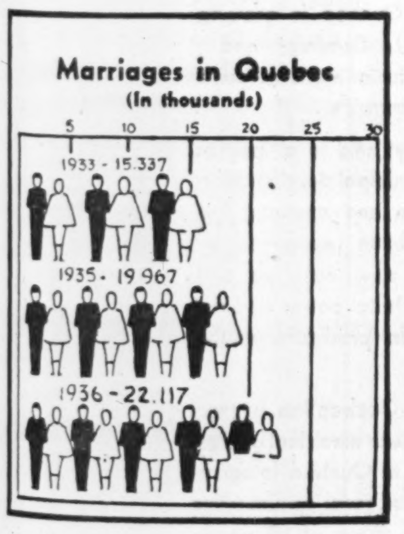
Quebec produced 1.7 million tons of newsprint paper last year, an increase of 250,000 tons over 1935 and 720,000 tons over 1933.



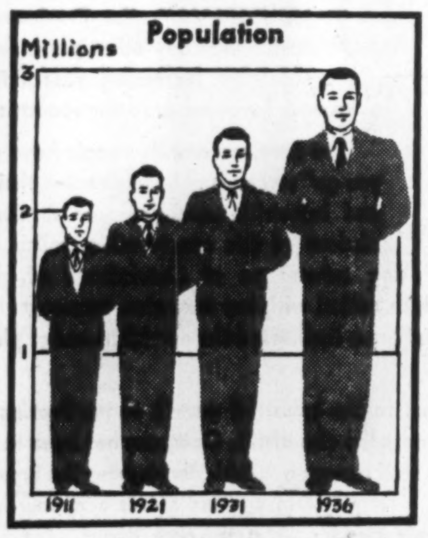
Mining has developed into an important source of revenue for Quebec, production last year being estimated at around $48 millions. This is close to double the 1933 output.



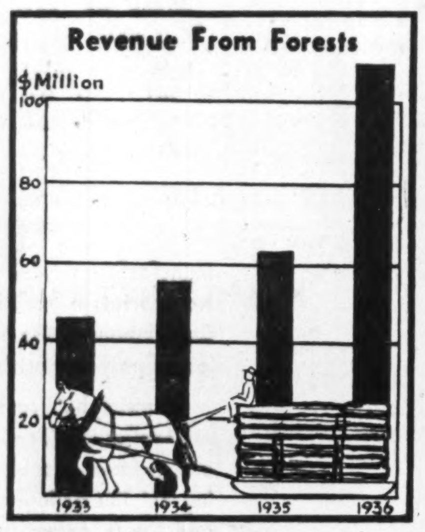
Income tax assessment shot up last year, amounting to $259.5 millions. This contrasts with $179.8 millions the year before. Further gain is expected for 1937.



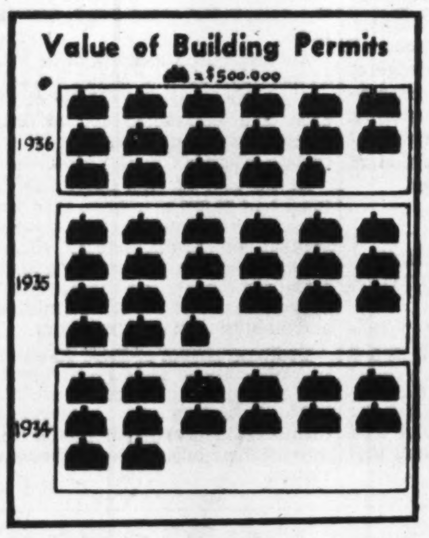
Marriages in Quebec last year are estimated to have numbered 22,117; the largest figure reported in several years and comparing with a low of 15,337 in 1933.



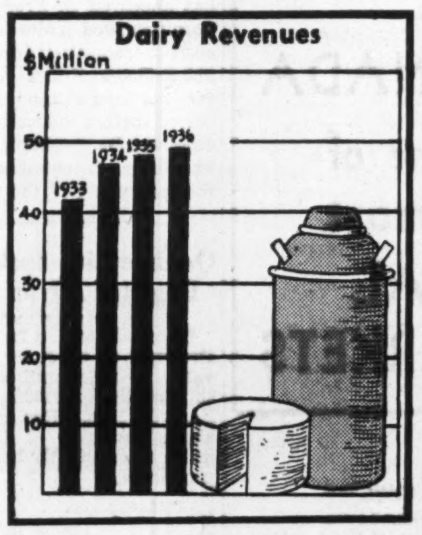
Quebec's population equals nearly one-third of that for the whole Dominion. Estimate for 1936 is 3.1 millions; compared with 2.9 millions in 1931; 2.4 millions in 1921.



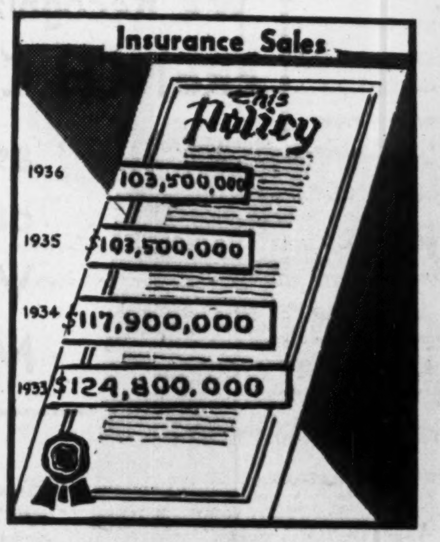
New forest wealth has increased rapidly, being valued at $80 millions in 1936; compared with $64.1 millions in 1935 and the low of $46.6 millions in 1933.



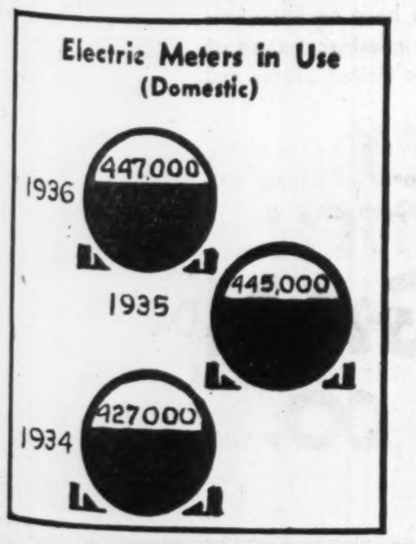
Building permits issued last year had a value of $8.6 millions. This was less than the $10.2 millions in 1935, but well ahead of the 1934 and 1933 average of $7 millions.



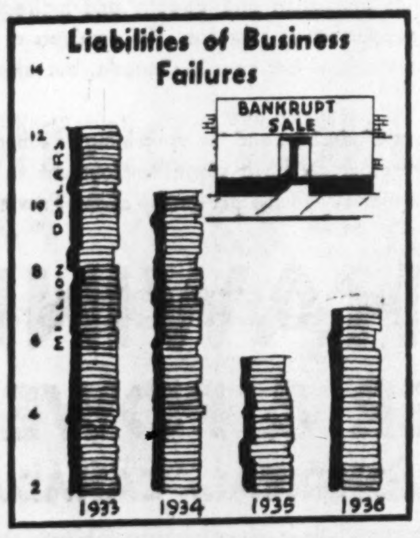
Dairy production in Quebec last year had an estimated value of $50 millions, as against $48.2 millions in 1935; $46.2 millions in 1934, and $43 millions in 1933.



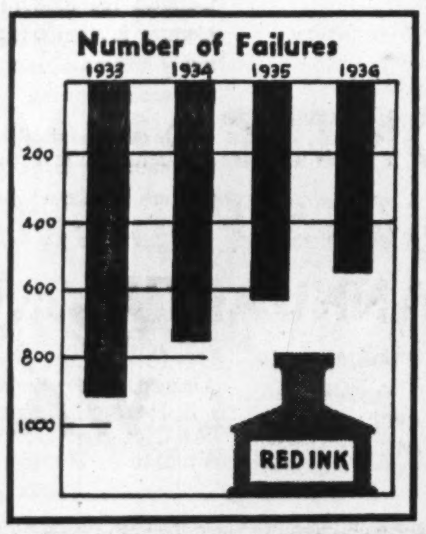
Insurance sales is one of the few indices to show a decline, sales in 1936 at $103.5 millions being the same as in 1935, but less than in 1934 and 1933.



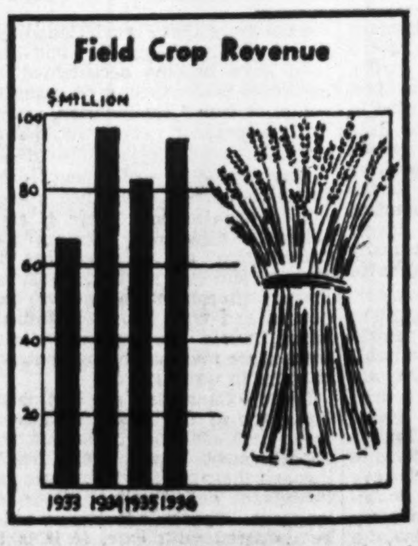
Electric meters in use in Quebec during 1936 numbered 447,586. This contrasts with 447,459 the year before and with 420,670 in 1934.



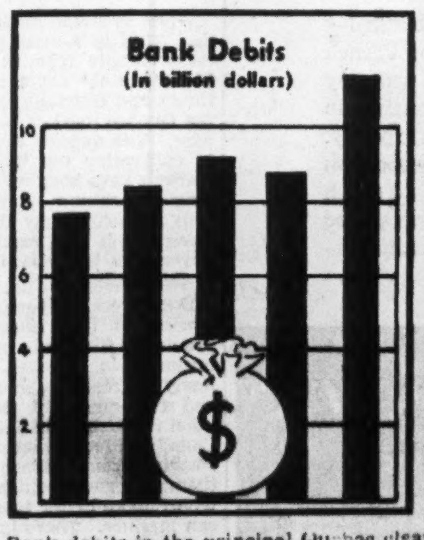
Liability of business failures has declined about 50% since 1933; $6.5 millions in 1936; $5.2 millions in 1935; $10.1 millions in 1934; and $12.2 millions in 1933.



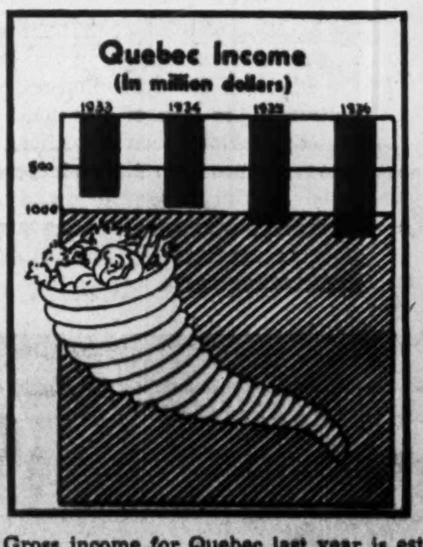
The number of failures in Quebec declined to 573 in 1936. In 1933 there were 935, but since then there has been a steady drop; 779 in 1934 and 627 in 1935.



Larger crops and better returns boosted field crop revenues last year to $96.7 millions, as against $83.6 millions in 1935; $98.3 millions in 1934 and $87.5 millions in 1933.



Bank debits in the principal Quebec clearing centres totalled $10.9 billions last year, a gain of $2 billions over 1935. There has been a consistent gain since 1932.



Gross income for Quebec last year is estimated at $1,150 millions, a gain of $116 millions over the previous year. The trend has been steadily upward since 1933.

Studying French Market

Appreciation and Understanding of French Speaking Customer Will Pay Large Dividends — Distinctive Appeal Essential

By J. E. L.

Failure of national distributors of merchandise to secure a foothold in the Quebec market, is primarily due to ill-advised policies; poorly directed advertising campaigns; in short, the failure to give the world's largest French-speaking market, outside France, the same close attention paid to the English-speaking market.

There was a time when the number of failures tended to build up a fairly widespread impression of the difficulties which may be encountered in selling in Quebec. However, manufacturers have learned to avoid mistakes made in the past. They have a better understanding of the French Canadian point of view, and have established themselves in the minds of a great community which spends money freely and whose annual income varies less than in any other section of equal size in Canada.

The basis of success achieved in many lines rests on the fair appreciation of French Canadian characteristics, which, once assimilated, give the manufacturer or distributor an open sesame to a ready and receptive market.

French Characteristics

First, however, certain cardinal principles must be kept in mind. The French Canadian speaks, reads and thinks French; attends services in French churches; goes to French schools and universities; amuses himself at French clubs; patronizes French hospitals; speaks French in court and elsewhere. It is his mother tongue, and therefore the language with which he is most familiar. The Quebec market cannot be developed properly unless a sales appeal is made in French and caters to the characteristics peculiar to the French Canadian.

The French Canadian is thrifty in the best sense of the word. If he sees what he needs and is convinced that the article in question measures up to his requirements, he will buy it quickly. Centuries of fighting for and living in a new world have left a certain mark on his character. In Quebec there is a large rural population which has tilled the same land for 300 years. Unlike the farmer in other parts of the Dominion, he does not work to make a large profit quickly. Farming is his life's business, just as it was his father's before him, and will be his son's after him.

Progress has been made in realizing these conditions peculiar to Quebec. The large number of nationally known manufacturers and distributors, firmly established in Quebec, is ample evidence of the fact that proper study of the market has been made and fully rewarded.

Individual Appeal

Though it is dangerous to make broad statements in connection with any individual market, it is safe to say there are certain merchandising policies which do not find favor with the French-thinking Quebecker.

In the first place, the group appeal should be used sparingly. French Canadians like to be different from one another. They are individualistic and want personal consideration.

The scare appeal so popular in many national advertising campaigns is rarely effective in Quebec.

Another "don't" is the innuendo appeal. French Canadians dislike hints being made as to the possibility of their being not as particular as they should be about themselves.

Finally there is the high-pressure "do it now" appeal which finds scant sympathy. This type of solicitation leads the French-speaking Quebecker to think adversely of something which should be bought immediately. It would seem that this appeal tends to irritate rather than sell; possibly another indication of the individualistic attitude.

Know the Market

Mere words alone, especially poorly translated from English advertising copy, find little sympathy in the French Canadian mind. The sales manager must penetrate deeper; he must know his market and the mind of his man before he can sell comprehensively. Some of the English advertising copy which has appeared in French in Quebec does not even make sense. Further, correct translation into French will not suffice as a rule. Knowledge of the customer's mind must be conceived before effective advertising copy can be prepared; through that knowledge is obtained a vision of the true value of the market.

"The Telephone Speaks the Language of French Canada"

REACH French-Canadians and the rich market they represent . . . by telephone.

There are 240,000 Bell Telephones in the Province of Quebec alone — plus 33,000 connecting telephones — a total of 273,000, predominantly French.

They cover your French Market — give you quick, easy, intimate and inexpensive access to all or any part of it.

Let us show you how to reach French Canada effectively, by telephone.

THE BELL TELEPHONE COMPANY OF CANADA

We Recognize FRENCH CANADA as one of our most VITAL MARKETS

Reproduction at left, is a typical issue of "Revue du Quebec Industriel," a periodical review of Quebec industry published by the Northern Electric Company.

Recognition of the fact that we were founded — and have developed — in the heart of French Canada and that this market when properly cultivated, is one of the most responsive in Canada, has long been a Northern Electric policy. The result has been that an increasing proportion of our products are sold to and used by French Canadians who are also adequately represented on our manufacturing, accounting, sales and administrative staffs.

Northern Electric COMPANY LIMITED
A NATIONAL ELECTRICAL SERVICE

SAINT JOHN, N.B. · HALIFAX · QUEBEC · MONTREAL · SHERBROOKE · OTTAWA · TORONTO · HAMILTON · LONDON · WINDSOR · KIRKLAND LAKE · SUDBURY · PORT ARTHUR · WINNIPEG · REGINA · CALGARY · EDMONTON · VERNON · VANCOUVER · VICTORIA

Quebec's Wealth 26% of Dominion

In a survey of the national wealth of Canada, Quebec ranks second among the provinces with its wealth valued at over $6,738 millions, representing 26% of the total for the Dominion.

Urban real estate constitutes the principal element, with a value of $2,435 millions. Agricultural enterprises take second place and are valued at $960 millions.

Farm Revenue Moves Upward

Income $189.7 Millions in Past Year—Many Are Dependent

Over half the people in Quebec live on the land. The extent of the crop and the returns for farm products, accordingly, have an important bearing upon the buying power in the province's rural areas.

Mixed farming, always stressed as an important feature of sound agricultural development, is seen at its best in Quebec. This province has developed agriculturally-minded communities which have established diversified farming on a scale probably without equal in the rest of the Dominion.

For that reason, revenues from the land are fairly well stabilized. In some years the revenue from one branch of agriculture may be down, while that from another source is up, with the result that Quebec does not experience violent fluctuations in farm revenue.

Last year agricultural wealth through Quebec had a value of $189.7 millions as against $175 millions in 1935 and $182 millions in 1934.

Revenue Well Distributed

This revenue is well distributed throughout the province. The chief agricultural areas are to be found along the valleys of the St. Lawrence and Ottawa Rivers and in the Eastern Townships. However, in recent years new farming districts have been opened up in the Temiskaming, Gaspé and Lake St. John districts, but, in the main, the greater part of farming is still carried on in the well-settled and older established sections of the province.

In the Eastern Townships, for instance, lies one of the oldest agricultural areas in Canada. Though the advancement of industry in this district has been rapid, a sound balance has been maintained between agriculture and industry.

Farm Buying Units Expand

Co-operative Associations Show $22.9 Millions on Year's Turnover

Co-operative agricultural associations in Quebec recorded an increase in 1935 of nearly 50% over the preceding year in sales and purchases. This is the last year for which complete figures are available.

For more than 30 years these associations have been in force and their importance in the general welfare of the rural areas may be judged by the fact that in 1935 their sales totalled $12.1 millions and purchases $10.8 millions, a total turnover of better than $22.9 millions.

The Government has recognized the importance and desirability of these associations by making a grant of 1½% on the amount of sales to the associations, fulfilling the conditions laid down by the province.

In 1935, 158 associations filed reports of their operations with the provincial department of agriculture. They included a provincial federation for the purchase and sale of all agricultural products, five provincial and 13 regional co-operative societies of various activities, while the remainder were local associations.

An association consists of at least 25 members, each of whom has subscribed for 10 shares valued at $10 each and contracted for at least three years to deliver, buy or sell certain products to the association.

At the end of 1935 these associations had 21,875 members, who had subscribed for $905,033 and paid in $743,841 on capital stock. Profit during the year amounted to $141,413 and the collective balance sheets showed assets of about $4.6 millions and liabilities of $4.2 millions.

Ordinary shares of these co-operative associations yield no dividends. The surpluses, less reserve, are distributed among the shareholder members in proportion to the volume of their business with the association.

Quebec Livestock Values Register Advance in 1936

Livestock on the farms of Quebec Province as at June 1 last, had a value of $93.6 millions as against $87.3 millions in 1935 and $75.5 millions in 1934. Horses account for about one-third of the total and milch cows slightly better than that proportion.

French Customer Left Cold By Extravagant Phraseology

When in Rome do as the Romans do. This is a trite phrase which many people take in their stride. Unfortunately not a few manufacturers and distributors interested in the Quebec market have done likewise. The appeals they have made in cultivating the English-speaking markets have been revamped for the French-speaking Quebec market. This is particularly true of advertising, with the result that many advertisers have been disappointed in the results.

Does French advertising pay? The answer is that dozens of extra-provincial firms do a very profitable business in Quebec. There are many degrees of success, of course, and one must not put the blame upon the tastes and habits of French Canadians for the lack of success of certain firms. Some would have them buy goods which their housewives make better than any factory can produce. There is the case of a firm which could not understand why the Quebec people would not buy its fruit jams. This producer did not know that French Canadians like a very sweet product and that they have become accustomed to preserves made "pound of sugar to pound of fruit," combination, which English-speaking people would find too rich.

One of the great difficulties in French advertising has always been that of translation. There is considerable difference between the presentation of an argument in French and in English. Just as French preachers go in for eloquence and what is called gesticulating, while the English clerics seem more reasonable, the contrary happens in writing.

French Canadians are not more insensible to the appeal of advertising than are other races, but that appeal must reach their hearts through their minds. They hate extravagance and despise dullness of language. French advertising must be prepared with care, if it is to achieve results. Literal translations are the products of the unlearned and incompetent.

French Buyer Predominates Quebec Market

French-speaking Quebeckers Outnumber English By Nearly 5 to 1

STEADY GROWTH

A primary and fundamental consideration in analyzing the Quebec market is a close study of the composition of the racial origins of the people inhabiting the province. While manufacturers and distributors are well aware that the French Canadians outnumber other racial types, they sometimes fail to realize the predominance of this group.

The last Government census shows there are over three million French-speaking Canadians and of this number, over 90% make their home in an area of about 50 miles north and south of the St. Lawrence River. This area, of course, does not contain all Canada's French-speaking population, for an examination of the returns shows that many French Canadians are to be found in the Ottawa Valley and eastern Ontario, New Brunswick, Manitoba, the Border Cities district of Ontario, northern Ontario, not to mention the other sections in Quebec outside of the St. Lawrence River Valley.

French Far in Lead

As the original establishment of the province was undertaken by French colonists, it is only natural that a majority of the French people today should be of French origin and French-speaking. The last census shows that of the more than 2.8 million people in the province, all but some 600,000 were of French racial origin. One third of the remainder are of English descent and 108,000 of Irish descent. The Scottish are well represented with 87,300, while the balance is made up of many nationalities.

A survey of the principal racial origins of Quebec's population, according to the last Dominion census, follows:

Principal Ones Only

English	234,739
Irish	108,312
Scottish	87,300
French	2,270,059
Hebrew	60,087
Indian	12,312
Italian	24,845
German	10,616
Greek	2,466
Polish	9,534
Russian	3,574

Number Doubles in 30 Years

The statement that the Quebec market is a growing one can easily be substantiated by examination of the returns. From 1881 to 1931 the urban population of Quebec increased sixfold, while the rural population held its own, making an aggregate increase of more than 100% in population over the last 30 years.

Distribution of rural and urban population in the province in the last seven decennial census years follows:

	Urban	Rural	Total
1871	....	....	1,191,516
1881	311,104	1,047,923	1,359,027
1891	499,715	988,820	1,488,535
1901	654,065	994,833	1,648,898
1911	966,842	1,038,934	2,005,776
1921	1,322,569	1,038,096	2,360,665
1931	1,813,606	1,060,649	2,874,255

More Cities Noted

Montreal is by far the most important urban centre in Quebec, having an estimated population of around 1.2 million, as against 618,506 in 1921. It is the largest city in Canada. These figures do not include the Greater Montreal area. If the surrounding municipalities are taken into consideration, the metropolitan area has a population of nearly 1.5 million.

An idea of the growth of Quebec's urban population can be gained from the fact that between 1921 and 1935 the number of cities with a population of over 10,000 increased 12 to 19. Particulars of the growth of urban population during this period follows:

	1935	1921
Montreal	1,175,957	618,506
Quebec	145,000	95,193
Verdun	60,745	25,001
Three Rivers	40,000	22,367
Hull	30,058	24,117
Sherbrooke	29,532	23,515
Outremont	28,641	13,249
Westmount	26,000	17,593
Lachine	19,037	15,404
Shawinigan Falls	16,430	10,625
St. Hyacinthe	14,962	10,859
Chicoutimi	12,135	8,937
Levis	11,767	10,470
Valleyfield	12,953	9,215
St. Johns	11,676	7,734
Joliette	12,000	9,039
Thetford Mines	10,680	8,272
Granby	10,700	6,785
Sorel	10,528	8,174

Farm Capital Passes Billion

Agricultural wealth in Quebec in 1935 was estimated at $1,038 millions, as compared with a total for the whole Dominion of $5,797 millions. A breakdown of this figure for the province follows:

Land	$414,347,000
Buildings	257,918,000
Implements	97,270,000
Livestock	87,331,000
Poultry	5,843,000
Fur-bearing animals	1,460,000
Agricultural production	174,758,000

The PROVINCE of QUEBEC

Quebec is outstanding amongst Canadian Provinces for its vast resources, developed and potential, in hydro-electric power, forestry and mining.

Its agricultural and dairying resources follow closely. And, in addition, its standing as a base for all lines of commercial and industrial enterprise is founded on economical and other advantages that are unique in Canada.

In hydro-electric power, Quebec's estimated available capacity is the greatest of any province in the Dominion. Its developed power represents about 50% of the entire turbine installation in the whole of Canada.

In forestry resources, Quebec is the leading producer, both of wood pulp and paper in the Dominion. The products of Quebec's forests carry the news of the world to every section of the globe.

Quebec ranks high in the production of precious metals. In gold, it is second only to Ontario. In non-metallic minerals it occupies an enviable place. No less than 73% of the world's supply of asbestos comes from the deposits in the Eastern Townships. In base metals, the Noranda copper deposits are of major importance.

Quebec's agricultural development has been largely along the lines of mixed farming and dairy-farming. These divisions of agriculture are progressing steadily and profitably, year by year.

Industrially, Quebec offers many advantages. Abundant and economical power is available. Labour conditions are favourable to the employed and the employer.

For further information write

Department of Commerce and Industry, Quebec, P. Q.

TALK THE LANGUAGE OF YOUR PROSPECTIVE CLIENT

Comparative language groups in the Sister Cities of Ottawa and Hull.

English	50.57%
French	42.46%
Foreign	6.97%

The annual revenue of the French group is well over $25,000,000.

Through the easy medium of the daily newspaper which enters his home as a welcomed friend.

Reach the 186,490 French Canadians of the Ottawa-Hull Trading area through the Advertising columns of

LE DROIT

OTTAWA

The only Ottawa French Daily in its field.

QUEBEC

Canada's Most Progressive Province

INDUSTRIALLY, the Province of Quebec is growing faster than any other province of the Dominion, and is obtaining increasing recognition from manufacturers as a most favoured area for industrial enterprise.

The Province and its people have always held to a "pay as you go" motto, and have directed their municipal developments and industrial expansion with moderation and caution. The wisdom of this conservative policy has been recognized by manufacturers who are taking advantage of convenience of sites, raw materials and transportation facilities, which united with low tax rates, economical electrical power and the finest labour on the continent have facilitated the establishment of plants for production on the lowest possible cost basis.

Shawinigan's contribution to the industrial growth of the Province of Quebec has been a substantial one. For forty years the aim of this Company has been to produce electrical energy and as far as possible make that energy available throughout the Province of Quebec. In carrying out this endeavour the power system created serves over four hundred rural communities and towns, as well as Montreal, Quebec and Three Rivers. The larger share of all power generated — over 1,000,000 h.p. annually — is supplied to basic industries.

From the outset the Company has included in its activities the promotion of manufacturing. It has made possible great pulp and paper production; was responsible for introducing into Canada the manufacture of aluminium and directly and indirectly has been an important element in stimulating the production of asbestos. The products of these industries, valued at many millions a year, are distributed not only in Canada, but also in the United States and overseas countries.

Development of these basic industries and the upbuilding of others, stimulated by the ability to command large power resources, have given employment to thousands of people and through them contributed materially to the prosperity of the Province of Quebec.

The SHAWINIGAN WATER & POWER CO.

MONTREAL, CANADA

Quebec Reforms ~ ~

Economic and Social Changes Bring New Problems for Industry and Trade-confidence in Duplessis Moderation Policy

By JOHN LANGDON

What is the future of industry and commerce in Quebec Province? Many manufacturers and businessmen are asking themselves this question as a result of the relatively radical changes which have taken place in the political situation in the last few years. Legislative reforms have been and are being instituted, resulting in unsettlement, uncertainty and even fear that there may develop a governmental or political control over all forms of business activity.

Nationalistic forces have developed in Canada's oldest province to the point where they have been powerful enough to put out of office a Government that had been in power for 40 years. Their demands for social, political and economic reforms have been recognized in part by new legislation. The agitation for further reforms continues and unless the movement is checked, or directed along moderate lines, the outcome may be far from satisfactory.

A study of these changes is essential in order to weigh their effects on manufacturing and commercial activities within the province. It is also of considerable importance to those outside Quebec to know what is going on, for whatever happens is bound to have its effect on business throughout the rest of the country.

For several years there has been a growing dissatisfaction with economic and social conditions in the province. This unrest was organized into a political force which gave the Hon. Maurice Duplessis and his party a sweeping victory at the last provincial election. The political life of him and his supporters is dependent upon the continued support of the nationalistic followers.

Prefers Middle Course

Premier Duplessis is a Conservative in politics, as are a number of his key men. He sympathizes with the aspirations of the "Quebec for Quebeckers" group. At the same time he recognizes that many of the demanded reforms are not in the best interests of the province.

It is his task to follow a middle course (a choice by preference) in effecting reforms which will appease the nationalistic group and yet provide business with some assurance that it will not be legislated out of existence.

The more radical nationalistic followers subscribe to the belief that "outside" firms have "done them in the eye." An outside firm is broadly interpreted to mean any organization that is exploiting the province's natural resources and in which French-Canadian capital and men have a minor rôle. Unfortunately this term applies to practically every major enterprise in the province. English, American and Canadian capital have contributed very heavily to the economic development of the province and operations are directed, in the main, by English-speaking executives.

Failure to Tell Story

There has been an unfortunate tendency among these companies to disregard public opinion. By that is meant not a disregard of their responsibility to the worker or failure to properly exploit the concessions granted to them by Quebec, but a failure to tell the public what they have contributed toward the welfare of the province. As a consequence, while the French Canadian businessman and professional man are aware and appreciate the contribution of "outside" capital, the majority hold to the belief that their "heritage" has been despoiled for the benefit of outsiders who have no interest in the welfare of the French Canadian.

This is not true. Here and there will be found cases where capital has abused its privileges, but, on the whole, these "foreign" companies have made very important and permanent contributions to the economic welfare of Quebec. But because capital has failed to account for its stewardship, many French Canadians (probably a minority, but a vociferous minority) are agitating for the setting up of a corporate state in Quebec much along the lines of those established in the advanced socialistic countries.

The first year the Duplessis party was in power was given over to organization of the various departments, committees, etc. Some legislation was introduced; nothing very radical, but sufficiently different from the policies of the previous Government to make business sit up and take notice.

House Gets Into Stride

During the past session the new Government got into its stride and put on the statute books a number of Acts which, depending upon their interpretation, have an important bearing on trade and industry.

Three pieces of electricity legislation were passed; one for municipalization of electricity; a second covering an electricity commission with absolute jurisdiction over operations and finances of the privately-owned companies; and a third, providing for the creation of a provincial hydro to operate, at the beginning in fields not now served.

The powers created by this legislation are in advance of anything previously on the statute books. Directed in a moderate manner they should not seriously interfere with legitimate operations of the private companies. Put in the hands of a radical group, they might well be used to deal a heavy blow to private industry.

Another important piece of legislation is the Natural Resources Act, which gives the Government close control over the development and exploitation of the province's resources. As indicated by the Prime Minister, this act will not be administered to the detriment of private capital, as long as private capital works along the lines which the Government believes to be in the interests of the province as a whole.

Affect All Classes

The Duplessis Government has brought in measures respecting all classes of society. To the rural classes, the Administration has given additional credit facilities, through the vote of $5 millions, in addition to the $10 millions voted at the special session.

Settlers have been benefitted by the passing of a number of measures and the placing at the disposition of the Minister of Colonization of more than $10 millions, to help develop new areas in the province. Furthermore, under the new legislation voted, the settlers will be spared the invasion of their lots by lumber merchants who, heretofore, had the right to cut wood there for a period of years.

Electricity was the order of the day for a number of weeks. Three bills were discussed and adopted after interesting debates. The first is to facilitate municipalization of that commodity, the second is to create a commission with control over rates and operations of the privately-owned electricity companies, the third is to create under Government control electric plants to be operated in various sections of the province.

INDUSTRY AND TRADE

Hon. Joseph Bilodeau, Minister of Municipal Affairs, Trade and Commerce for Quebec, who has an important part in the Government's new policy of bringing about a greater development of the province's natural resources.

A number of bills were adopted which aim to protect small property as regards to taxation and interest charges on mortgages. It is expected that these laws will be supplemented next session by the creation of an urban loan system similar to the farm loans system. It has also been announced that within a few months the Government will probably institute a fishermen loan organization.

Varied Social Legislation

Social and labor legislation was varied and important. It includes needy mothers' allowances, amendments to the old age pensions act, pensions to the blind, the revamping of the collective labor agreements act, the creation of a system to enforce fair wages throughout the province, with a minimum wage for unorganized labor.

Other "reforms" have been enacted. In one or two cases the legislation has been drawn up so hurriedly that amendments were necessary to eliminate certain obviously detrimental clauses.

Satisfy All Groups

But withal the hurry in putting through reform legislation, the Duplessis Government has endeavored to steer a middle course. On the one hand it has endeavored to comply with the demands of the ultra nationalistic group and, on the other, protect the interests of established business. It has been a difficult job, as indicated by the action of some of his followers in setting up an independent bloc because the Government's policies did not go far enough in meeting the aspirations of the nationalistic group.

From the businessman's point of view the outlook in Quebec may be subdivided into four sections: legislation, social conditions, labor conditions and taxes.

More to Come

Further legislation of an unsettling type is more than likely to be passed by the House during the balance of the Government's tenure of office. Business has confidence in Premier Duplessis, feeling that he will not sponsor any seriously detrimental laws. Political pressure may make it necessary for the Government to go further than might be considered advisable under other circumstances.

To date Premier Duplessis has controlled the nationalistic movement which, despite better times, has shown no signs of diminishing in strength. If the political unrest, and by that is meant a more intensified campaign of Quebec for the Quebeckers, continues to grow it would not be surprising if the Government delegates to itself extensive powers in order to keep the situation under control.

Labor Situation Develops

Major social changes over the next few years are to be expected. This may prove temporarily disturbing to business, but in the long run should be beneficial. There is little prospect of the C. I. O. or similar organizations getting a foothold in the province, as they would be strenuously fought by the Government, the church and business interests. There already exists, of course, a large number of unions affiliated with national Canadian organizations and also with the American Federation of Labor. In addition there is another form of unionization, peculiar to Quebec. This takes the form of "Catholic Syndicates."

Membership in these syndicates is almost entirely made up of adherents to the Roman Catholic church. Quite often the parish priest is the directing force.

These syndicates are an interesting and a highly significant feature of labor organizations in Quebec. It is too early to speculate on what place they will occupy ultimately in the social structure of the province, but their rapidity of growth and importance in the relations between business and labor make it especially worth while to watch their further development.

Improve Living Conditions

While the standard of living in Quebec, on the average, is not as high as in the neighboring Province of Ontario, the plans of the Duplessis Government call for further legislation to bring about an improvement. Already several industries have raised wages at the insistence of the Government, which also has laid down new rules designed to better working conditions.

Socialization activities by the Government are on the increase and will show further expansion over the years ahead. No political force can be successful in Quebec unless it is paternally-minded and in this, the Duplessis Government, is no exception. Colonists, farmers, co-operative associations, charitable institutions, etc., all are subsidized with Government funds and the expenditure in this regard is likely to increase rather than decrease.

Tax Burden Worrisome

The tax burden is a serious problem in all countries. The situation in Quebec is particularly onerous for business and the individual. The larger municipalities have over-extended themselves and built up a debt, the servicing of which is a serious drain upon income. The Duplessis Government has promised to have the tax situation investigated by an independent commission with a view to eliminating duplications and, if necessary, reorganizing the whole tax system.

Some good may come of this investigation but by and large there is no prospect of relief in the near future. The servicing of a steadily increasing debt and the underwriting of social legislation presages higher taxation. However, the Duplessis Government is moving in the right direction by curbing the spending power of municipalities. However, in a number of cases, the damage has been done. But if the municipalities can be taught or forced to live within their income, then the burden of carrying the present tax load becomes easier.

Briefly put, it is reasonable to assume that the programme of reform by legislation is not finished. It is difficult to forecast what type of legislation will be enacted, whether it will be moderate or extreme, or how it will affect industry and commerce. If the ultra nationalistic group get their way, the changes may not be pleasing to business, but as long as Premier Duplessis controls the situation, the Government's policy is likely to be one of modernization, though advanced as compared with that previously in force.

Favorable Side Too

So much for the political situation and its uncertainties. Quebec is keeping pace with the general business recovery. Her pulp and paper mills, mines, power stations and electro-chemical industries are busier than they have ever been. Other manufacturing industries are sharing in the improvement. Trade is picking up rapidly. The farmer is better off. Spending power is on the upgrade and barring national or international setbacks, conditions in Quebec continue to improve.

Raw Fur Production Nears $2 Million Mark

Fur trapping and fur farming is one of the minor, but nevertheless important sources of revenue to Quebec. The latest report shows that in 1935 raw furs produced in the province had a value of over $1.9 million, an increase of about $436,000 over the previous year.

Retail Trade $461 Millions

Continued Gain Recorded From Low Point in 1933

Retail trade in Quebec for 1935 amounted to $461.8 millions, an increase of 3.3% over the year before, according to returns compiled by the Dominion Bureau of Statistics.

These returns for both chain and independent stores were based on reports received from approximately 5,400 establishments, which are estimated to have transacted about 60% of the total business of all retail stores in the province. On this basis, the value of retail merchandise trade in Quebec during 1935 was in the neighborhood of $770 millions.

Taking the value of retail trade in 1930 at 100, sales in the following years carry the following index numbers: 1931, 86.4; 1932, 71.4; 1933, 64.7; 1934, 68.7; 1935, 70.9.

The proportion of chain sales to total sales in 1935 shows a falling off in Quebec. During 1935 the chain stores did 15.8% of all sales, as against 16.3% the year before. The dollar value of chain sales in 1935 was $72.8 millions, as against total sales of $461.8 millions, compared with $72.9 millions and total sales of $447.1 millions in 1934.

The greatest increase in trade for 1935 over 1934 was experienced by motor vehicle dealers. This was common to all other provinces. A breakdown of the returns for Quebec sales for 1935 is not available, but examination of the 1934 survey is of interest in showing the proportion of all trade handled by the major classifications.

In 1934 motor vehicle dealers reported sales of $29.8 millions, an increase of 29.1% over 1933.

Compared with 1933 returns, the following types of business report increased sales in 1934; office, school and store supplies and equipment dealers, 25.9%; furniture stores, 17.5%; household appliance stores, 16.8%; farmers' supply stores, 16.8% and lumber and building material dealers, 15.4%.

Sales of grocery stores and combination stores (grocery with meat markets) were $91.1 millions for 1934.

Sales of meat markets were $16.6 millions, or 9% higher than in 1933.

Other groups to register increased sales in 1934 were departmental stores; men's and boys' clothing and furnishing stores; family clothing stores; women's apparel and accessory stores; coal and woodyard and drug stores.

Lower sales were reported in 1934 for Government liquor stores; candy and confectionery stores, etc., tires and battery firms, shoe stores and electrical shops.

Hydro Resources Valuable Asset

Quebec has over 3.8 million h.p. of developed water power, equivalent to 1,258 h.p. per thousand of population. This is considerably greater than in any other province and compares with the Dominion average of 722 h.p. The present turbines in operation in Quebec are equal to about 48.7% of the total capacity of the Dominion.

It has been estimated that the available resources in Quebec amount to 8.5 million h.p. permanently at 80% minimum flow and to 13.1 million h.p. at ordinary six months flow.

Asbestos Output Climbs Back to Record Levels

Asbestos production in Quebec, which is recognized as one of the world's principal sources of this mineral, recorded a considerable advance last year. While returns are not complete, it is anticipated that the output will show a sharp gain over the 210,467 tons produced in 1935. The latter was the highest production reported since 1929, when an all-time record of 306,055 tons was set.

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Religious and Institutional
Bonds

Investment Dealers

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(General Finance Co. Inc.)
57 St. James West Montreal
HA. 5168

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You ought to, whether you are selling goods in Quebec, or you merely want to know what is really happening in the second largest and richest province of Canada.

When you decide reading a French daily to improve your French, read the best edited French paper in America:

LE DEVOIR

To improve your sales among well-to-do French people, you have to advertise in the most influential French daily in America:

LE DEVOIR
MONTREAL

Net paid circulation, Dec. 31st, last A.B.C. Auditors' Report: **21198** (at 3c a copy)

Inquire for our rates, etc., by writing Le Devoir, P.O.B. 4020, Montreal.

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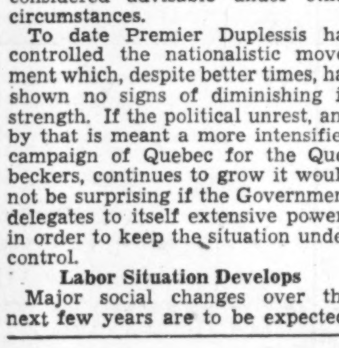

BONDS and stock certificates are tokens of ownership so devised as to permit legal transfer from person to person. Since before Confederation this Old Canadian Company has specialized in the engraving and printing of such securities for governments and corporations.

BRITISH AMERICAN
BANK NOTE COMPANY
LIMITED

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Sec.-Treas.

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511 Place d'Armes
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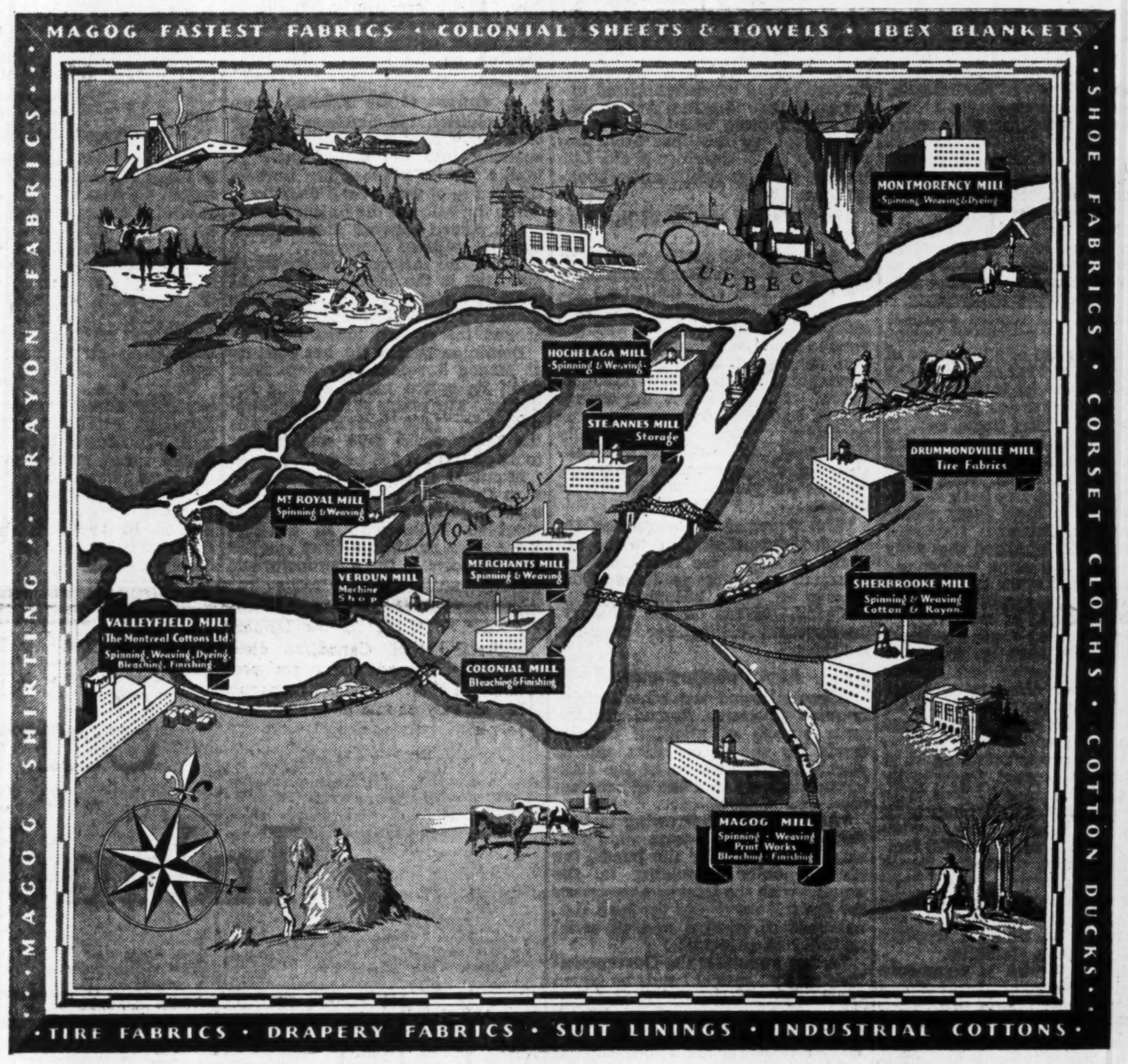


Stability ...and the

TEXTILE INDUSTRY

Wherever you find a sound textile industry, there you will find stability. The Province of Quebec is no exception. That it has forged ahead steadily through lean years and fat, is in no small measure due to the extent and soundness of its textile industry. Within its boundaries are eleven Dominion Textile Company plants providing steady, remunerative employment to thousands of workers. Payrolls in these plants have mounted steadily through the years and to-day aggregate over $5,000,000. These payrolls are, in many cases, the backbone of thriving communities that have grown up around them.

Dominion Textile Company plants, many of them antedating Confederation, have an enviable record of technical progress, sound administration and amicable relations between capital and labour. They are an asset to Canada.

DOMINION TEXTILE COMPANY LIMITED
MONTREAL TORONTO HAMILTON WINNIPEG VANCOUVER

Family Is Main Factor In Quebec Market Data

Caution Needed in Correctly Interpreting Statistics Relating to Buying Power of Individual and Family

Statistics are the foundation for any sales campaign, and in studying the Quebec market they can lead astray or put the distributor on the road to building up an important market for his products.

Proper interpretation of the statistics available on Quebec is highly important. Many distributors have been misled by the appearance of limited purchasing power of the individual Quebecker. They have failed to give these figures more than a casual study and seldom consider the all-important matter of family life in Quebec.

Statistics relative to Quebec should be calculated on a per family basis rather than on a per capita basis. On the latter basis, consideration is taken only of the number of individuals, be they old or young. Obviously with a high percentage of children in Quebec, statistics are thrown out of gear in making comparisons.

Family is the Basis

Take per capita wealth. In Ontario it is $3,188—in Quebec it is $2,982. The deduction might be made from these figures that the French Canadians are poorer prospects for a sales campaign than their neighbors in Ontario. Now take the figures on a per family basis and a different picture will appear. The average number of persons per family in Ontario is 4.30 and in Quebec 5.35, making the average wealth per family in Quebec $15,924 as against $13,708 in Ontario.

Children Influence Returns

The number of children in Quebec is a definite factor to be considered in marketing calculations. The average number in Quebec families is 3.58 compared with Dominion average of 2.99, and on the difference between those two figures depend a host of important matters.

Keeping this in mind, an entirely new light is shed on the business of making up statistics in reference to the Quebec market, for it is the children who make statistical figures deceive when the Province of Quebec is considered.

The last census showed that of the 2,311 families in the Dominion having 12 or more children in the family, no less than 1,440 reside in Quebec. The number of Quebec families having more than five and less than 12 children totals nearly 115,000. Purveyors of children's supplies, such as suits, caps, boots and other merchandise, should bear these figures in mind.

Family life in Quebec consequently must be considered in surveying the Quebec market. These large families tend to keep family ties strongly knitted, which in turn finds reflection in various characteristics inherent in Quebeckers.

Communal Bond Outlet For Savings of French

Expansion of public financing in the last decade has made the ordinary investor familiar with many types of security, but few, least of all those outside Canada, have any knowledge of the religious institutional bonds, debentures and other securities issued in Quebec. To French Canadian investors and institutional buyers they are well known, for they have been a popular outlet for French Canadian savings over a period of many years.

The limited knowledge of these securities outside Quebec is unfortunate, for they are of a high type of investment. The lack of knowledge concerning them is, in part, attributed to the failure of the underwriter in publicizing them, and, in part, to the difficulty in securing accurate, comprehensive particulars of the individual issues. This latter feature in the past has been a serious drawback to their wider distribution among Canadian investors. Also it must be admitted that they do not enjoy the same rating and broad market of other types of securities of a corresponding quality.

Three Types of Bonds

Broadly speaking there are three types of bonds used to fund the cost of constructing the parish church or other community buildings. Securities for these issues invariably consist of first mortgage on the building and land, as well as a tax on real properties situated in the parish and owned freehold by Roman Catholic organizations. This tax levy constitutes a first charge on property and ranks before municipal and school taxes. It often happens the Roman Catholic parish bonds have a higher rating than those of the municipality in which the parish is located owing to the prior right to assess real property owned by Roman Catholics.

The second group is commonly classified as religious institutional bonds. These securities are issued by a religious order in order to further its work, usually the construction of buildings to serve as hospitals, schools, etc. Security consists of a general mortgage on land and buildings and usually a general covenant on the part of the religious order sponsoring the bonds. It is highly important that these issues be properly endorsed by the religious order concerned, some trouble having been experienced in the past by lack of proper authorization.

The third group is the bonds or debentures fully subsidized by the province of Quebec under the Public Charities Act. In some cases these securities are only partially subsidized, but when fully subsidized by the province they assume trustee status and become legal investments for insurance companies.

Survey of Securities

One of the most comprehensive surveys of the bonds subsidized under the Public Charities Act, as well as covering those issued by religious orders and parishes, has been prepared by L. G. Beaubien & Co. Ltd. and the findings published in booklet form.

The historical section of this survey, states:

"The history of public charities in Quebec shows a logical transmission from individual and (religious) institutional benevolence, operating independently of state aid and advice, to a carefully co-ordinated system subsidized by the Provincial Government and subject to its supervision. The reason for the change lies, of course, in the growth of the population whose needs finally threatened to outstrip the exchequers of the religious orders, as well as the philanthropy of private donors.

"The Provincial Government responded sympathetically to the appeals made by the charitable institutions for many grants, and the passage of years brought steadily increasing claims on the treasury, development calling for clear-cut legislation.

Allot Definite Funds

"Laws followed each other in fairly quick succession, framed with the twin objects of allotting definite funds for use in charities and of clarifying the position of the state of its relatively function of benefactor.

"As a rule the borrowing institution pledges a long-term state subsidy as security for the bonds, the grant usually coinciding in the amount with the total sum necessary for the full service of the loan (i.e., payment of interest and of serial maturity of principal).

"A few years ago the Government insisted that special bonds be issued representing the subsidy, and that the rate of interest and schedule of maturity be submitted to the provincial treasurer for approval.

Are Fully Subsidized

"These bonds carry the endorsement of the director of public charities to the effect that they are fully subsidized by the province of Quebec out of the Public Charities funds. At the required intervals the province debits the funds with the sums needed for the payment of bond interest and of principal installments, remitting the money to the trustee for the bondholders or to the paying bank.

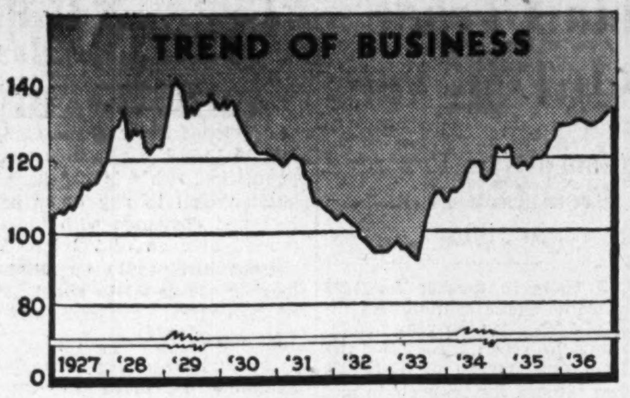
"It should be emphasized that the Government has invariably fulfilled the obligations assumed by the Bureau of Public Charities, even when the charitable institution concerned has failed to complete the construction of its building or has not taken in any indigent."

- BONDS -

Municipals, Schools, Religious Institutions and Bonds wholly subsidized by the Government

ERNEST SAVARD, LIMITEE

Aldred Building MONTREAL — 105 Mountain Hill QUEBEC



QUEBEC TAKES UP DEPRESSION SLACK

Business in Quebec has come back a long way from the low point of 1933 and at the end of 1936, on the basis of The Financial Post Index, was at the same level as at the beginning of 1928, after which three years of exceptional business was recorded.

Quebec Textile Plants Employ Fifty Thousand

Annual Output From Industry More Than $140 Millions Yearly — 900 Factories Located in More Than 50 Communities

It is not possble for the manufacturer of textile equipment to cover the Canadian industry without devoting a large part of his time and effort to those plants located in Quebec.

Quebec's designation as the Lancashire of Canada comes naturally, as the province is the centre of the Canadian textile manufacturing industry.

The great textile factories of Quebec give employment to more wage earners than any other industry in the province. The payroll accounts for $36 millions a year paid out to 50,000 workers.

The industry plays an important part in the economic life of the province. There are nearly 900 plants located in more than 50 municipalities; many of the latter being dependent on the industry for their welfare.

Output of $70 Millions

In addition the purchase of raw cotton, silk, dyes and other materials entering into the manufacture of textile fabrics reaches the impressive figure of well over $70 millions, while the value of the finished product is placed between $140 millions and $150 millions annually.

While the metropolitan centre of Montreal is the location of several mills, the greater part of the textile industry's activities centre in and around the eastern townships.

Dominion Textile Co. has built up at Magog a community dependent upon its cotton manufacturing activities. The plants at this point support over 1,600 individuals, while the print works give employment to an additional 750 people.

Montreal Cottons Co., associated with Dominion Textiles, has an important stake in its plant and equipment at Valleyfield. In addition there are a number of other smaller units devoted to the manufacture of a wide variety of textile products.

Dominion Textile Co. has another large cotton plant at Montmorency Falls, as well as at Sherbrooke.

Aside from primary cotton manufacturing, Quebec is noted for its numerous silk mills, both artificial and real. In recent years the Quebec market has been an important purchaser of raw silks, together with complementary materials for processing into the finished article.

Many new plants have been erected as demand for silk, combined with low prices has stimulated production to higher levels.

In southeastern townships and along the north shore of the St. Lawrence may be found a number of silk or synthetic silk manufacturing plants. Among the more important companies are Canadian Celanese at Drummondville; Belding-Corticelli at St. Hyacinthe, Coaticook, St. John and Montreal; Associated Textiles and other firms.

Knit Goods Represented

The woollen and knit goods branch of the textile industry is well represented in Quebec. At Sherbrooke is located one of the largest and oldest woollen mills in the Dominion, that of the Paton Manufacturing Co. At St. Jerome the Regent Knitting Mills have a modern plant, while at St. Hyacinthe, Penmans operates a large factory manufacturing a wide line of knit goods and woollens. Then there is Ayer's plant at Lachute, as well as other smaller operators.

Competition, modernization and expansion normally necessitate additions and installations in the textile mills. In normal times cotton companies spend large sums of money in plant improvement. Replacements involve relatively heavy outlays each year, while the supplies needed in the normal course of manufacturing run into millions of dollars annually.

Power Firms Assume Lead In Recovery

Quebec Units Planning Large Outlay For Immediate Future

OPEN UP MARKET

Quebec has maintained, during the depression and recovery years, a dominant position in the production of electrical energy. In the last two years output has been at record levels and there is talk of renewing development work on a broad scale in order to anticipate requirements over the next few years.

In the Saguenay and Lake St. John district, newsprint mills have been turning out a record quantity of paper, which in turn has stimulated the demand for electricity to be used both for motive power and steam purposes. The aluminum plant at Arvida has been operating at capacity for some time, and plans are now under way for the construction of additional pot-rooms, which will increase the capacity of this big power consuming industry by 50%. Along the north shore and in the area centring on the St. Maurice Valley, the large pulp and paper plants have been particularly active and it is anticipated that a new power development will be started in that area within the next year.

State Enters Field

The two other developments of particular importance in the Quebec utility field, and which have a bearing upon the sales of equipment and appliances, are embodied in recent legislation passed by the Duplessis Government. The first sets up a new provincial electricity commission, which, it is expected, will be the means of stimulating the electrification of rural areas by privately-owned power companies.

The second provides for the establishment of a Quebec hydro power system. It is the intention of the Government to put at the disposal of this commission approximately $10 millions, which will be used for the construction of power plants in northwestern Quebec and in the construction of transmission and distribution systems.

Operations of the Quebec Hydro System will necessarily be on a limited scale for the immediate future, but over the next five or ten years, the provincial system may bring about a considerable expansion of electricity services in areas which are now not economically attractive for development by the privately-owned companies.

The capital outlays planned in the Quebec utility field, or by the electricity consumers in the immediate future, will run into several millions of dollars, and if contemplated developments are proceeded with, the capital outlay on new power plants will be more than $20 millions over the next three years.

At the present time the capital invested in the power industry in Quebec approxmates $500 millions.

In many respects Quebec offers a richer market for equipment to take care of domestic requirements than other sections of the Dominion. Power developments in the province have been on a greater scale than elsewhere, but most of the power generated to date has been for industrial needs. Commercial and domestic use in urban centres compares favorably with that in other provinces, but in rural sections the development has not kept pace. This is a condition which is likely to be remedied before long.

This lack of expansion in farming sections and small towns is due largely to the thriftiness of the French Canadian who has been satisfied with older methods of lighting and heating. However, the change over to electricity and its more efficient service has been gaining momentum, as seen in the demand from many rural sections for electrification.

Manufacturers of wiring, switchboards, generators, transformers, and a multtude of other electrical appliances, accordingly, anticipate substantial sales in the Quebec area over the next few years. The opening up of new sections, as foreshadowed by the establishment of the Quebec Hydro System promises a wider market for the manufacturers of electrical supplies and appliances, while the areas already serviced are still capable of more intensive cultivation.

In the larger centres such as Montreal, Quebec, Sherbrooke, Hull, Three Rivers, Shawinigan Falls, and other cities, the use of appliances is more or less general, but the number per family is considerably less than in Toronto, Winnipeg or other Canadian cities of comparable size. An outstanding example is to be seen in the case of electric stoves. The number of such appliances in Montreal is far less than in many cities of one-tenth the population. In the last few years, however, rates have been made more favorable for the use of large quantities of electricity for domestic services. Since the beginning of 1935, the rate schedule in Montreal, for example, has been adjusted to a basis which makes the use of electrical energy attractive in comparison with the rates charged for gas.

Another factor affecting the wider domestic use of electrical appliances in Quebec is the general downward trend in electric rate schedule. In a number of cases substantial rate reductions have been made, making it more attractive to use electric stoves, heaters, washing machines, etc., the cost of operation of which, in the past, has not been favorable to the wider use of these heavy power consuming domestic appliances.

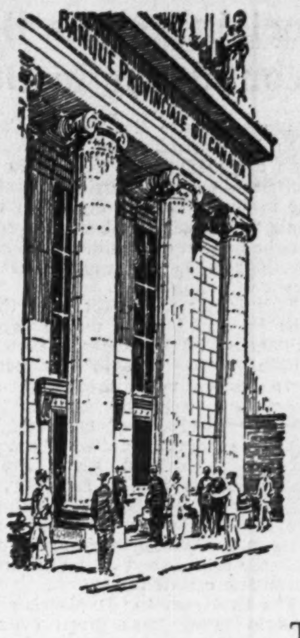
Ottawa-Hull Area Offers Big Market

One of the largest metropolitan areas in the Quebec or French Canada market centres on the sister cities of Hull and Ottawa. In this capital area are nearly 200,000 persons, of whom 42% are French speaking.

Purchasing power of the section is estimated to aggregate about $100 millions annually, in which the French - speaking populace share in much the same ratio as their numbers to the English-speaking population.

The market stability of the Hull-Ottawa area is well known to distributors, because of the presence of an unusually large body of Government officials and other civil servants whose earning power does not fluctuate widely, but tends to increase steadily from year to year.

A Bank with Traditions



Founded in 1900, this institution, under the careful eye of the country's leading financiers, has gradually and constantly experienced progress, with the result that it now counts

314 offices in Canada with 266 offices in Quebec.

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GENERAL TRUST OF CANADA

Progress of the Company

Assets under administration

1928	$7,044,911
1929	$9,447,743
1930	$24,417,406
1931	$27,721,264
1932	$31,904,494
1933	$35,867,712
1934	$42,055,365
1935	$44,741,604
1936	$51,629,157

Hon. J. M. Wilson, *President*

Hon. D. O. L'Espérance, Beaudry Leman, *Vice-Presidents*

René Morin, *General Manager*

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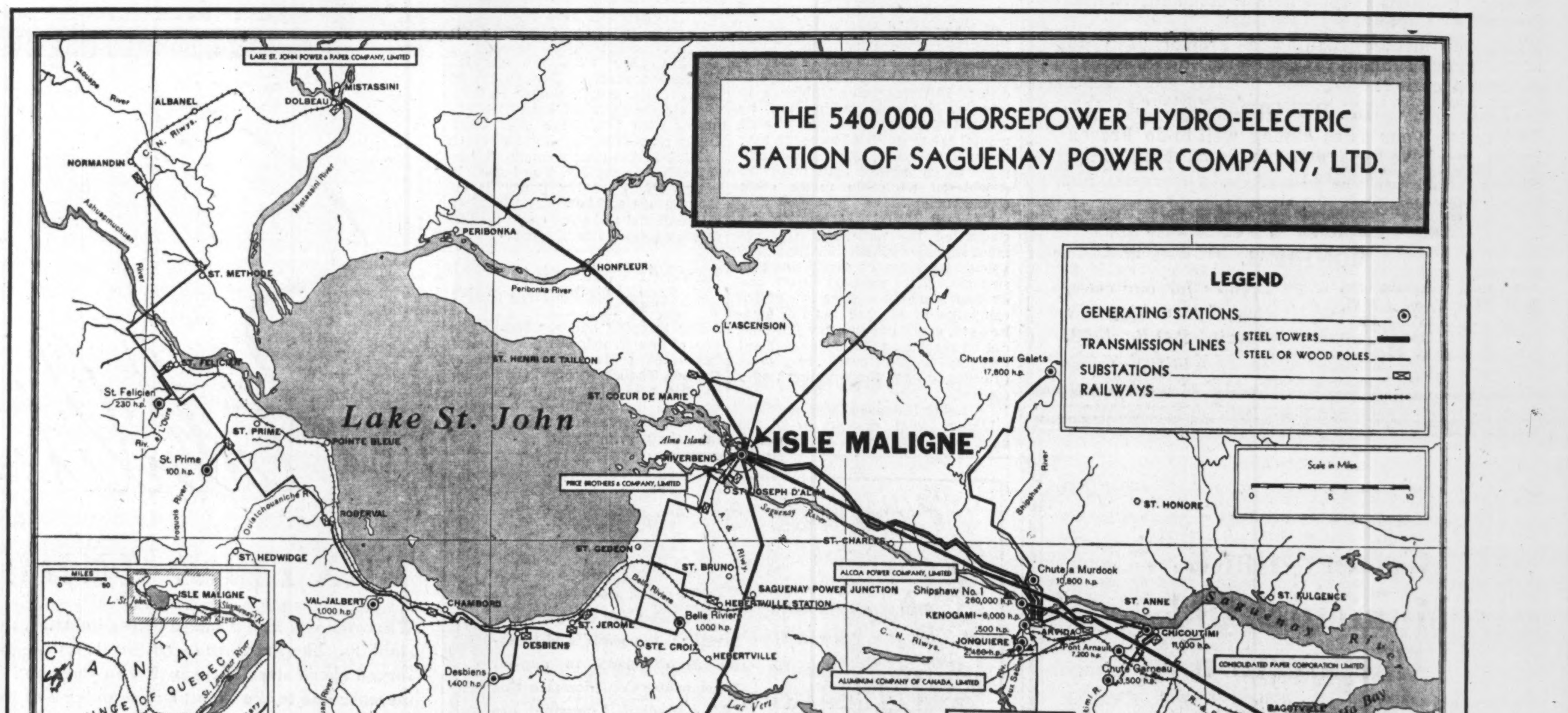

SAGUENAY POWER COMPANY, LTD.

Head Office • Montreal

Quebec Mines Are Showing Vigor of Youth

Output for First Quarter of Year Over $5 Millions Mark

FIELDS ARE ACTIVE

When in 1912 the Quebec Department of Colonization, Mines and Fisheries reported that during the year total mineral production was valued at $11,017,046, the press hailed the announcement with keen satisfaction because, as one journal then put it: "Quebec, as is generally known, is little blessed with metallic ores ... copper ore is found and taken out in some quantity, and there has of late been a revival of the search for gold, which showed rather moderate results."

That copper ore is taken out "in some quantity" seems a moderate statement when it is considered that Noranda Mines, copper-gold property and largest gold producer in Quebec, showed an estimated net profit for the quarter ended March 31, 1937, of $2,623,931, representing earnings of $1.17 per share.

The Quebec bureau of mines states that for the first quarter of this year the output of the principal gold producers in the province amounted to $5,967,290. Among companies contributing to this total were Arntfield, Beattie, Belleterre, Canadian Malartic, Lamaque, McWatters, O'Brien, Perron, Shawkey, Siscoe, Stadacona, Rouyn and Sullivan.

O'Brien Success

Success attained by O'Brien Gold Mines, which for the first quarter of the present year produced gold to the value of $319,760, an average of $56.29 per ton from 5,681 tons of ore milled, focused the mining spot light on the Cadillac field and particularly upon Cadillac and Malartic townships, though intense activity became general along the belt of approximately 100 miles known as the northwestern Quebec mineral area.

Scores of new incorporations followed O'Brien's discovery of this high-grade section and those properties lying along the strike of this break sprang to renewed life. The development of Cadillac and Malartic townships affected mining markets from coast to coast, and in itself was an important factor in maintaining the buoyancy of the entire mining market through 1936 and up to the time of the recent recession.

Thompson Cadillac, Candalaca, Admiral Cadillac, Valco Cadillac, Routhier Cadillac, Kewagama, Central Cadillac, Wood Cadillac, Pandora Cadillac, Amm Cadillac, Maritime Cadillac, Lapa Cadillac, Hayes Cadillac and Dempsey Cadillac are only a few of those companies which, running from the west boundary of Cadillac township and continuing east along the belt to Malartic township, began active work following the sensational discovery made by O'Brien.

Youthful Field

Quebec, though considered an old province, is but a youth from the viewpoint of its mineral production, records of which go back only 34 years. Gold production from the northwestern Quebec mineral field in 1936 jumped 41% over 1935, and while the Cadillac township district has been the scene of the most active development, it has been estimated that there are approximately 250 companies engaged in intensive work in the field.

About 65% of Quebec's total production comes from the copper-gold ores of Noranda Mines, in the Rouyn district, and to the mining interests of this province the maintenance of base metal prices at levels to permit of profitable operation is of great importance.

As evidence of its wish to encourage interest in the mining industry, the Quebec Government is sponsoring the award of mining scholarships at three Quebec and one Ontario university. To qualify for them, the winners must be British subjects and have lived in Quebec for at least five years.

In addition, the Government, cooperating with Federal authorities, is assisting the development of mineral resources through the provision of mining roads, part of the cost of which the companies themselves bear. Quebec's 1936 gold production amounted to $23,320,425, and by the close of the present year is expected to top this mark by a considerable margin. Gold production for 1935 was slightly over $15 millions.

Market Outlook On Better Basis

Market outlook for Quebec has definitely undergone an improvement over the past 12 months. Many of the major industries have stepped up production, taken on more men, distributed more funds in the form of salaries and wages, and increased purchases of materials.

Some industries, of course, have not yet experienced the return of improving conditions, but these, in the main, are specialized industries, which do not ordinarily get into their stride until after the basic producers have returned to what may be described as normal productive operations.

Automobile Registrations Record Upward Trend

From Our Own Correspondent

Automobile registrations in Quebec at the beginning of 1936 totalled 170,644, a gain of about 5,000 during the year. Passenger cars numbered 135,293; taxis, 4,204; auto buses, 505; motor cycles, 2,489; trucks, 28,153. The aggregate distance represents an increase of about 5,400 over that reported for the previous year.

Quebec Reaps Rich Harvest From Forests

Industries Employ Over 75,000 Workers — Millions For Supplies

COVERS WIDE FIELD

The forest supplies the raw material for the most important industries of Quebec. Capital invested in manufactures using wood and paper as the chief components of their products exceed $346 millions and the mills, factories and lumber camps employ more than 75,000 persons annually. The exploitation of the forests is also a source of considerable revenues to the province, which collects in the form of royalties, stumpage dues, etc., well over $2 millions annually.

Quebec's forest operations are divided into two major divisions, namely, lumbering and pulp and paper making.

There was considerable activity in both branches of the industry last year, and while the returns are not complete, it is anticipated that they will exceed those reported for 1935 when the value of timber cut was $34.3 millions and for pulp and paper $78.7 millions.

There are in the province over 1,300 saw mills, 10 pulp mills, 10 paper mills and 21 pulp and paper mills.

The operations of these units have a favorable bearing upon the economic welfare of the province. Few have any idea of the vast army of workers and the multitude of supplies which go into the woods operations, saw mill operation and the working of the pulp and paper mills.

Newsprint Production

Last year Quebec newsprint mills produced 1.7 million tons of newsprint, as against 1.4 million tons the year before.

This production is an important branch of forestry operations, accounting for about 60% of the total value of forest products. To get out of the woods the necessary pulpwood for the manufacture of this quantity of paper, the operations would use:

- 11,700 tons of food supplies;
- 27,000 tons of horse feed;
- 47,000 men to do the cutting, driving and preparing the wood for the pulp mill.

Before the supplies and men went into the woods, the operators would have expended over $2 millions in establishing the necessary camps.

When this wood reached the plant, the cost of converting it into pulp and then into paper would have run into several millions of dollars.

The expenditure would be necessary for the purchase of the following materials used in manufacturing 1.7 million tons of newsprint:

- 100 million pounds of sulphur;
- 72 million pounds of lime;
- 11,500,000 ounces of alum;
- 1,750,000 ounces of colors and dyes;
- 1,150,000 tons of coal;
- 8,750,000 pints of lubricants.

Other Needs Extensive

In addition the mills would have to spend several million dollars in hydro-electric energy for motor power and steam, as well as giving employment to a large number of men in the mills and at the head office.

The importance of this market to the manufacturers and distributors of dyes, chemicals and allied materials, as well as foodstuffs, is well illustrated by the fact that the newsprint industry spent over $30 millions in supplies in 1936.

Mean Much to Province

Timber cutting is carried on in all parts of the province, while pulp and paper operations centre around four areas. Several pulp and paper mills are located on the Ottawa and Gatineau Rivers near Hull. Some of the older and smaller mills are found in the eastern townships. A number of large plants are found on the north shore of the St. Lawrence and the St. Maurice Valley, while others are located on or adjacent to the Saguenay River and Lake St. John.

Wholesale Trade in Quebec Jumps 6% During Past Year

Wholesale trade in Quebec during 1936 is reported to have run about 6% more than in 1935, when the Government reported sales at $299.9 millions. In 1934 the total was $288 millions and $254 millions in 1933. These are net figures excluding sales by other wholesalers such as distributors, brokers, etc.

The manner in which this trade was distributed is shown in the following breakdown of the 1935 returns:

Kind of Business:	(000's)
Amusement, photographic and sporting goods	$ 574
Automotive	2,254
Chemicals and paints	5,424
Drugs and drug sundries	7,309
Coal and coke	23,293
Dry goods and apparel	33,728
Electrical	3,971
Farm supplies	3,600
Foods	122,645
Groceries	39,188
Dairy and poultry products	26,764
Fruits and vegetables	19,482
Meats and fish	37,211
Furniture and house furnishings	3,080
General merchandise	2,844
Hardware	10,649
Jewellery and optical goods	2,846
Leather and leather goods	2,297
Lumber and building materials	5,873
Machinery, equipment and supplies	7,361
Metals and metal work	6,200
Paper and paper products	5,270
Petroleum products	31,863
Plumbing and heating equipment and supplies	2,764
Tobacco and confectionery	6,675
Waste materials	......
All other	8,579
Total	$299,999

Quebec Trade Much Higher In Past Year

Imports and Exports Have Aggregate Value of $432 Millions

MONTREAL CENTRE

Over $432 millions of trade passed through the five principal ports in Quebec during 1936, an increase of $46.6 millions over the previous year when the largest total recorded since 1931 was reported.

The Government's report of the imports into Quebec does not necessarily imply that the merchandise is to be used for consumption, but rather that it was delivered to the importer, who paid the required customs duty. A certain quantity of the importations entering into the province are consigned to other Canadian provinces, just as part of the exportations emanate from them.

Even with this understanding, however, the volume of trade flowing through Quebec ports is indicative of the commercial activity of the province. With allowance made for the imports, which are not consumed within the province and for the exports, which do not emanate in the province, the Government's trade returns show a well developed volume.

Nearly One-third of Trade

Imports into Quebec last year had a value of $174 millions, or 30.9% of the total Dominions imports. This was fractionally less than in the preceding year, but is well above the average for the past 25 years.

Quebec's export trade in 1936 totalled $258.2 millions, or 33.1% of the $779 millions reported for the Dominion. The percentage of the Dominion's export trade handled through Quebec does not compare as favorably as imports. Nevertheless, the province has maintained its position since 1920.

Taxable Real Estate Approaches $2 Billions

Municipal taxpayers in Quebec in 1934 numbered 582,968 as compared with 455,294 in the previous year.

Real estate in 1934 was valued at $2,184 millions, of which $630 millions was non-taxable.

Quebec Sponsors Bridge Building on Large Scale

Quebec constructed 21 bridges at a total cost of $2.7 millions during 1935. This was double the number and value of bridges constructed the year before. Practically the entire cost was paid by the Provincial Government.

Quebec's Income Higher in 1936

Per capita income in Quebec for 1936 is estimated at $372 by The Financial Post Business Year Book. This contrasts with $338 in 1935, and with $410 for the Dominion in 1936.

Total provincial income last year was $1,150 million as compared with $1,034 million the year before.

Quebec Holds Leading Place

Thirty Per Cent of Dominion Manufactures Produced in Province

With a gross value of manufactures totalling $821 millions in 1935, the latest year available, Quebec ranks second to Ontario as the principal industrial province in the Dominion. For some years the province has accounted for about 30% of the total Dominion production and it is expected that when the returns for 1936 are available, there will be a substantial gain in value of output, but no material change in the ratio to the total for the Dominion.

Industrial operations in Quebec have assumed considerable prominence, due to a variety of factors, all of which are favorable for the expansion of manufacturing operations. The geographical location of the province lends itself to economic distribution of goods by rail or water, while such other advantages as cheap power and plenty of labor have led to the establishment of nearly 8,000 industrial plants within its borders. The capital invested in these units at the end of 1935 totalled over $1,664 millions, while employment was provided for 189,671 workers to whom $173 millions was paid in wages and salaries.

Montreal in the Head

Montreal ranks as the leading industrial centre of the province, accounting for 2,360 plants, with a capital investment of $373 millions and with an output valued at $361 millions in 1934. In all there are 255 cities, towns and villages in the province which boast three or more manufacturing establishments. However 15 of these centres, including Montreal, account for the major share of the capital, number of plants, etc.

Particulars regarding these major industrial centres follow:

	Plants	Salaries and Wages $	Cost of Materials $
Montreal	2,360	64,228,834	185,459,720
Montreal East	13	1,991,271	27,333,620
Quebec	312	7,328,663	11,202,852
Trois Rivieres	59	5,027,959	8,701,649
Drummondville	28	3,496,653	4,301,895
La Salle	10	1,363,609	4,833,317
Sherbrooke	71	3,237,905	4,349,839
Shawinigan Falls	21	2,102,457	2,988,153
St. Hyacinthe	57	2,115,736	5,654,767
Magog	18	1,232,426	6,762,508
Hull	49	2,088,100	4,090,224
St. Jean	44	2,297,527	4,391,359
Granby	37	2,064,176	3,517,075
St. Jerome	30	1,479,035	2,591,125
Arvida	3	568,135	1,817,686
Valleyfield	32	1,846,115	3,323,138
Lachine	38	2,234,601	2,873,772

Pulp and Paper First

Pulp and paper ranks as the most important industry in the province from the point of view of gross value of products. Central electric stations are more important in respect of number of plants and capital investment, but as an employer of labor and purchaser of materials, pulp and paper is well in the lead.

The diversity of manufacturing activities in the province is shown in the following table covering the 10 leading industries:

	Plants	Cost of Materials $	Gross Value of Products $
Pulp & paper	41	25,654,495	74,407,960
Central electric stations	133	......	46,818,247
Cotton yarn & cloth	16	24,163,616	42,463,877
Non-ferrous metal smltg. & refin.	4	21,500,709	36,230,880
Tobacco, cigars & cigarettes	72	16,075,329	31,995,548
Clothing factory, women's	300	18,417,522	30,868,071
Butter & cheese	1,272	18,497,361	25,137,541
Meat packing	37	18,503,689	22,618,696
Petroleum prod.	8	14,416,590	21,664,598
Clothing factory, men's	113	12,568,846	20,835,234

Material Purchases Heavy

Quebec's industries offer an important market for raw, semi-finished and finished materials. In 1935, Quebec manufacturers purchased about $400 millions of materials.

Quebec Postal Receipts Nears $2 Millions Mark

Postal receipts in Quebec during the 1935 fiscal year, the latest available, totalled $7.4 millions. In addition, the Quebec post offices issued $16.3 millions of money orders and paid $15.1 millions of money orders in the same period.

More Telephones in Use

Number of telephones in operation in Quebec at the end of last year amounted to 8.7 per 100 of population.

"Co-ops" Help Build Savings

Savings Institutions Provide Stability For Share-Members

Co-operative people's banks, a type of savings establishment peculiar to Quebec, continue to grow.

At the beginning of 1936 there were 202 of these banks in operation, an increase of 18 over those reported at the end of 1934. Deposits increased during 1935 by about $800,000 to over $6.8 millions. There was a corresponding gain in loans, which totalled $2.8 millions, while the profits realized by the banks during 1935 amounted to $472,543, an increase of $31,000 over the year before.

Transactions of these co-operative banks are those of a mutual company, owing to the fact that they generally loan only to the shareholders, who also have the right of making deposits. This dual privilege makes them a savings and credit institution available to agricultural and industrial plants.

These banks are managed by three committees: The board of management, which has charge of the general administration of the bank; the committee of credit, which examines, approves or rejects loans asked by shareholders; and the board of supervision, which inspects and verifies the books and documents, ascertaining the value of loans and securities required, etc.

A Young Power Company Well On Its Way to Prosperity

The Lower St. Lawrence Power Company, incorporated in 1922, owns in fee simple a hydro-electric power development at Grand Metis Falls, P.Q. Its transmission and distribution systems serve a territory of approximately 130 miles on the South Shore of the St. Lawrence River, extending from the Village of Isle Verte to the Village of St. Félicité, and in a south-easterly direction from the Metis Falls plant, a distance of approximately 94 miles to Matapedia, on the boundary line between Quebec and New Brunswick, serving all the towns and villages in the Matapedia Valley.

In addition eight municipalities, of which the largest is Cabano, are served in the South of the Temiscouata District. The entire system consists of 189 miles of high tension transmission lines and over 261 miles of distribution lines.

Storage facilities for the operation of the power plant at Metis have been provided by contract with the Quebec Streams Commission, who have expended over $423,000 on storage dams near the head waters of the Metis River.

Territory Served

The territory served by the Company is a well settled and prosperous part of the Province of Quebec, principally devoted to agriculture and lumber. Electricity is furnished to 47 communities, having a total population in excess of 50,000. In addition the Company supplies the residents of the Town of Campbellton, N.B., having a population of over 9,000, through a wholesale contract with that Town. Apart from those indirectly served in the Town of Campbellton, the Company has 5,200 customers. The large number of customers, the extended territory served, and the relatively small average consumption per customer, has resulted in unusual stability of earning power.

Campbellton

The Company has a contract with the Town of Campbellton, N.B., for the sale to the Town of electrical power up to 2,700 h.p., at a guaranteed fixed sum of $40,000 per year for the first 1,100 h.p., or any smaller amount, and at $25 per h.p. for all power taken over and above 1,100 h.p. This contract was entered into in 1924 for a term of twenty years, subject to the right of the Town of Campbellton to renew it for a further ten years. For the past five years deliveries under this contract have been in excess of the minimum of 1,100 h.p., the average annual revenue received from Campbellton amounting to $48,000.

Management

The President of the Company is Mr. J. A. Brillant, who has been its chief executive officer since its inception in 1922. He has been responsible for the development of the Company to its present size and his holdings represent a substantial personal investment.

YOUR MOVE!

In the Lower St. Lawrence Power zone, from Matane to Rimouski on the South shore of the St. Lawrence to the port of Campbellton on Chaleur Bay, industrialists can centre their branch plants most advantageously to serve Canadian and European markets.

There are offered to industry Free Manufacturing Sites; Inexpensive and Steady Labor; Good Shipping facilities to the United States and to Europe; Abundant Hydro-Electric Power; Alert Towns with Excellent Housing Conditions; Tax Concessions, etc.

For detailed information on any particular point such as Labor, Transportation, Industrial Sites, Power Rates or Raw Materials, wire the

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Rimouski, Quebec, Canada

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The ideal premium motor fuel. Its anti-knock rating means knockless performance under all driving conditions.

CHAMPLAIN +70 GASOLINE
A high grade gasoline selling at standard gasoline prices. +70 Gasoline contains a higher than average anti-knock rating.

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A premium gasoline sold through license arrangements with Ethyl Gasoline Corporation. On sale at all Champlain stations and dealers.

CHAMPLAIN PENMARK MOTOR OIL
Refined from 100% Pure Pennsylvania Crude Oil and approved by the Pennsylvania Grade Crude Oil Association. For your protection Champlain Penmark comes in sealed cans.

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A high quality lubricating oil which assures adequate lubrication at all engine temperatures. Sealed in cans.

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CHAMPLAIN OIL PRODUCTS LIMITED
SUN LIFE BUILDING, MONTREAL, QUE.

SISCOE GOLD MINES LIMITED
"Quebec's First Gold Producer"

Properties: DUBUISSON and VARSAN Townships, Que.
Mine Office: SISCOE, Que.

PRODUCTION FIGURES

Year	Total Value of Gold Produced in the Province of Quebec	Value of Siscoe's Production
1929	$ 1,876,960	$ 307,403.75
1930	2,930,177	367,266.20
1931	6,476,103	787,724.24
1932	9,417,576	1,135,931.91
1933	10,950,540	1,616,487.08
1934	13,458,554	2,116,603.49
1935	16,555,874	2,274,582.58
1936	23,334,849	2,428,470.17

SISCOE'S DIVIDENDS PAID

1932 .... $500,620.46 — 1934 .... $875,961.18
1933 .... 644,545.08 — 1935 .... 972,328.62
1936 .... $970,012.92

HEAD OFFICE:
DOMINION SQUARE BUILDING
MONTREAL, QUE.

VISIT GERMANY IN FESTIVAL YEAR

The "Pfalz" in the Rhine

Follow the lure of the romantic Rhine. Stroll along the boulevards of Berlin. Browse in the galleries of Munich or Dresden. Dream in the historic grandeur of medieval picture towns. Take a cure in Germany's fashionable spas. Disport with the sea or in mountain lakes under bright skies and in a perfectly tempered climate.

Black Forest Musicians

All Germany will be keyed to a spirit of gaiety and pleasure for the great music, opera, theatre and picturesque folk festivals this summer.

Bayreuth: the Wagner Festival, July 23 to August 21.

Berlin: Art Weeks, symphony, choir, opera, drama, concerts.

Dresden: International Music Festival, concerts, opera, plays.

Duesseldorf: Exhibition — "Nation at Work", May 8 to October 8.

Frankfurt on the Main: Roemerberg Festival Plays—Goethe, Schiller, Shakespeare in front of historic Town Hall.

Heidelberg: Reich Festival Plays in the courtyard of the famous Castle, July and August.

Munich: Wagner-Mozart-Strauss Festivals, July 21 to August 26.

Many other fascinating events all season throughout the country.

For your personal comfort: modern transportation and homelike accommodation at honest prices. Railroad fares reduced 60%. Travel Marks available far below regular Reichsmark quotations.

Consult travel agent or steamship office or write for information and interesting booklet No. 11C

GERMAN STATE RAILWAYS
INFORMATION BUREAU
67 YONGE STREET - TORONTO

Rockies Tours Widely Booked

U. S. and Eastern Canadian Visitors Turn to British Columbia

Trail riding in the Canadian Rockies, mountain climbing, hunting, fishing and less strenuous recreations at modern hotels will attract thousands of Canadians and U. S. visitors to the Rocky Mountain parks and Waterton Lakes Parks during the next few months.

There are three gateways to the parks of the Canadian Rockies, from the south by the Banff-Windermere highway, from the west past Golden, through the Kicking Horse Pass and from the east past Calgary, through the foothills.

Whichever route is taken, by train or motor road, none exceeds the western approach, by the C. P. R. through Kicking Horse Pass, from the standpoint of excitement. Through black walls of Kicking Horse Canyon the train passes within a few feet of turbulent rushing water to emerge at Field at the base of towering Mount Stephen.

Different locations in the Rockies create widely varying impressions but the whole panorama is one of impressive beauty. The crags of Yoho Valley contrast with the restful atmosphere of Emerald Lake, and Lake Louise, one of the most photographed spots in the world, is another focal point of travel for visitors to B. C. this year.

Moraine Lake

Moraine Lake and the Valley of the Ten Peaks are within an hour's drive of Lake Louise and here the coloring of ten huge monoliths of brick red rock buttress two sides of a lake in brilliant green. So vivid is the color scheme in this section of the Rockies that it outdoes even the gaudiest of posters.

Many visitors this year will take the railway route from Lake Louise to Banff, following the river through the Valley of the Bow, through the foothills eastward to Calgary, and advance reservations for trail riding parties indicate that this unique tourist attraction of B. C. will be widely popular also.

Trail Riders of the Canadian Rockies is an organization numbering among its members such names as the King and Queen of Siam, Rt. Hon. J. Ramsay MacDonald, Rt. Hon. L. S. Amery, Indian chiefs and many prominent Canadians and residents of the U. S. This year the trail ride is to Mount Assiniboine, at the end of July, to be preceded by a visit to the Kananaskis Dude Ranch for trail riders "who wish to harden up" before the start to Mount Assiniboine.

Sky Line Trail Hikers, another B. C. organization for visitors, will hold its annual trek through Yoho Valley and among mountain trails in that area this year. A four day camp will be held at Larch Valley, near Moraine Lake, early in August. The Alpine Club of Canada also holds its annual camp this year in Little Yoho Valley, commencing in the middle of July.

Waterton Lakes Park

Significant of the increased summer travel trend to British Columbia and the Rockies is the re-opening this year of the Prince of Wales Hotel at Waterton Lakes Park, just across the boundary from Glacier National Park in the U. S. Closed since 1932 the hotel reopens in June and like the Banff and Lake Louise resorts will have many visitors who have already planned a vacation trip to the majestic Rockies. Waterton Lakes Park is named from three lakes, closely linked in a glacier-carved valley extending north from the Lewis and Livingston ranges, the north or Upper Waterton Lake lying partly in Canada and partly in the U. S.

FRENCH CANADA

The headland cross stands out against the background of the mighty St. Lawrence, beacon of a typical French-Canadian village with its fishing boats in harbor. Typical is the above scene in the colorful panorama of the steamer trip down the St. Lawrence to the Saguenay.

Capitalizing History ~

Quebec Tourist Revenues Mount Over $30 Millions Mark as Tourists Respond to Invitation to See "Cradle of Continent"—Big Year is Expected

By VICTOR C. SOUCISSE

Expenditures of tourists in Quebec last year came within striking distance of the record of $33.5 millions established in 1932. Complete returns are not yet available but preliminary reports point to a total of well over $30 millions as compared with $28.7 millions in 1935 and $17.9 millions in 1934.

Quebec is only beginning to capitalize its birthright, the historic past of French Canada. The province's association with the early history of North America is still known only in a general way to the visitors from across the border and other Canadian provinces.

American tourists, for example, seldom associate the names of Cadillac, Bienville, LaSalle or Père Marquette with anything but France. When a Louisianian is told that the founder of New Orleans and the first Governor of Louisiana came from the older Province of Quebec, he thinks you are a member of the tall story club and if you add that you could show him where he, Bienville, was born, in Longueuil, he shakes his head in doubt.

Home of Trail Blazers

There is a whole story to be told featuring the historical sites of the province and bringing home to the American and Canadian tourist the fact that the Province of Quebec was the home of the early trail blazers—Radisson, Dulhut, Jolliet, Tonti, Hennepin, Iberville — adventurers and explorers who built forts and planted the cross and the fleur de lys from the Hudson's Bay to the Gulf of Mexico.

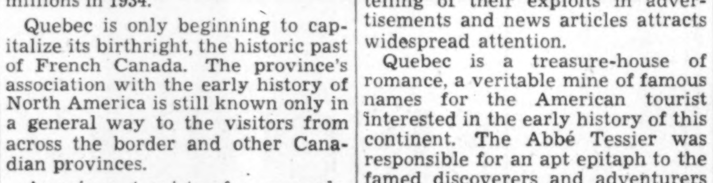
The exploits of the heroes of early Canadian history have never been popularized extensively in English, and since the majority of their names are well known in many parts of the United States, the telling of their exploits in advertisements and news articles attracts widespread attention.

Quebec is a treasure-house of romance, a veritable mine of famous names for the American tourist interested in the early history of this continent. The Abbé Tessier was responsible for an apt epitaph to the famed discoverers and adventurers of French Canada, when he said: "... one cannot help but admire the courage, the breadth of view of these explorers whose greatest ambition was always to see France greater and more glorious! They cut out of the virgin forest a France the size of their hearts!"

Limitless Possibilities

The tourist business has been and is worth millions to Quebec and that fact is being brought home yearly to an increasing extent. It is an industry with almost limitless possibilities. Its revenues depend mainly on the size and character of advertising programmes and the care with which old sites and historical buildings are preserved.

This year's invitation to visit the "cradle of the continent's history" is expected to bring a wide response and those who are responsible for a profit directly from the industry are preparing for a big year.



SAGUENAY-BOUND

Scenic attractions of the steamer trip through the St. Lawrence and into the picturesque Saguenay River are not confined to landscapes, as the photograph above reveals. It was taken aboard one of the larger cruise ships on the Saguenay division of the tour.

Across Canada 2

Saguenay Boat Trip Gives Brief Glimpse Of Old Canada Sites

Historic French-Canadian Points Dot Eight-day Voyage From Toronto Down St. Lawrence River—Quebec City, Montreal Touched

Colorful gentlemen of the cross and the sword march across the pages of Canadian history books, but the prosaic fact is that the first civilized community in Canada was established because the profit margin in furs was considerably higher than investment returns from whale oil.

Enterprising European seamen discovered the money-making possibilities in fur trading by chasing whales up the St. Lawrence as far as Tadoussac, where the Saguenay joins the larger river. At Tadoussac they formed a settlement, erected the first church in North America and passed into history as the first business enterprise on the North American mainland. True, the Indians objected to the newcomers, massacred them and wiped out the settlement, but they left the church standing and the visitor to Tadoussac today can hear the angelus rung by the same bell in the same church that survived the destruction of the early village.

Visitors to Tadoussac discover, among other things, that whaling is still an industry at the mouth of the Saguenay, where whaling fleets hunt white whales and the larger ocean-going variety.

Saguenay Trip

The boat trip down the St. Lawrence and into the Saguenay is among the most popular vacation schedules of the coming season if advance enquiries to steamship agencies and other travel offices are an accurate indication. This year it will probably rank among the first two or three areas in point of tourist and vacation interest in Canada.

Canada Steamship Lines sailing schedules from Lake Ontario ports include cruises up to eight-day itineraries at prices ranging up to $95 return fare from Toronto, with personally-escorted parties, hotel accommodation in Montreal and Quebec and side trips to Montmorency Falls and Ste. Anne de Beaupre. Other shorter cruises are being arranged this season to the Thousand Islands at $15 return for a two-days' trip from Toronto; a six-days' cruise to fashionable Murray Bay with 2¼ days at the Manoir Richelieu at $71; a six days' cruise to Tadoussac at $66 and a five-days' cruise from Toronto Quebec at $48 return.

Steamship trips can be combined with automobile travel since cars are carried aboard the steamers plying between the Saguenay and Lake Ontario ports. The eastbound journey involves shooting the Long Sault rapids, a distance of nine miles.

Toronto Terminus

For the eight-day return trip to the Saguenay travellers leave Toronto at 3 p.m. and cross Lake Ontario to pick up additional steamship passengers at Rochester, N.Y. at 9.45 the same evening. Early the following morning the boat is plying through the Thousand Islands (1,692 islands to be exact) and at Prescott passengers are transferred to a second steamer in which the seven racing rapids between Prescott and Lachine are passed. Expert pilots navigate the boat through swirling water and eight hours later the St. Lawrence widens into two lakes, St. Francis, about 30 miles long and St. Louis, 12 miles long. Third day of the cruise is spent at Montreal with travellers embarking from Victoria Pier early in the evening after leaving their hotel by motor buses. The fourth day is spent on board a steamer in the Saguenay service. This steamer touches at Quebec. Then passing the Isle of Orleans the steamer continues to Murray Bay, along the north shore of the St. Lawrence to Tadoussac and up the Saguenay in the dusk of evening to Ha Ha Bay, where she is moored for the night.

Capes Trinity and Eternity are among the scenic wonders of the Saguenay during the fifth day's journey. These capes tower 1,800 feet above the dark river which itself has depths never yet fathomed. Returning down the Saguenay short stops are made at Tadoussac and Murray Bay and in the evening the steamer arrives at Quebec where travellers are given hotel accommodation and have the evening free to roam the historic city.

Breakfasting at Quebec, side trips are made to the shrine of Ste. Anne de Beaupre in special cars, to Montmorency Falls which are higher than Niagara, and finally to the steamer which sails westbound to Montreal in the evening. Since the journey can be made only one way through the rapids, train accommodation or the traveller's own automobile is used for the trip from Montreal to Prescott, Ont., connecting with the steamer for the last lap of the trip to Rochester, N.Y., or Toronto.

Travel Enquiries Set New Record

Although business recovery in 1936 resulted in a new flow of tourist and winter vacation trade to the West Indies and other southern resorts, the Canadian summer resorts of the Maritimes, Quebec, Ontario and British Columbia will also experience the heaviest influx of summer visitors in years, according to present indications.

Scores of tourist agencies, travel bureaus, transportation companies and Government agencies receive letters of enquiry from foreign would-be visitors to Canada, seeking information regarding locations, routes and probable expenses.

Many French Outside Quebec

Every Province Has Quota of French-speaking Communities

Contrary to popular belief that French-speaking centres of the population do not exist outside of Quebec, except in minor settlements, there are important communities of French Canadians in every province of the Dominion. French traditions, language and customs are being perpetuated in all these centres and contributing their share of French culture to the country as a whole.

There are more than 2.9 million French-speaking Canadians in the Dominion. Of this number no fewer than 2.3 millions reside in Quebec. French-speaking Canadians in Ontario are numerically second only to Quebec while the Maritime Provinces rank third in point of French-speaking population.

In appealing to the French Canadian in his own language, the manufacturer or distributor is not only appealing to the French-speaking market in Quebec, but is also directing his sales efforts to some 700,000 other French-speaking Canadians resident outside Quebec Province.

The widespread distribution of French-speaking Canadians is shown in the table below:

Quebec	2,270,059
Ontario	299,732
New Brunswick	136,999
Nova Scotia	56,629
Saskatchewan	50,700
Manitoba	47,039
Alberta	38,377
British Columbia	15,028
Prince Edward Island	12,962
Yukon	250
N W. Territories	215
Total	2,927,990

Hamburg-American Line Founded 90 Years Ago

The Hamburg-American Line, Germany's oldest and largest shipping lines, is celebrating the 90th anniversary of its founding on May 27. On that date August Bolten, Hamburg shipbroker and shipowner, called a meeting at the Hamburg Stock Exchange where a group of Hamburg merchants subscribed 450,000 marks for the formation of a stock company. The company was called the Hamburg-Amerikanische Packetfahrt Actien-Gesellschaft, better known today as Hapag.

Sailing ships gave place to steamers and the company's fleet grew to 439 vessels in 1914 when it practically disappeared from the seas until after the war. Including the vessels of the North German Lloyd, now merged with the Hamburg, the company's fleet today numbers 298 vessels plying to all parts of the world. It has carried 5.7 million passengers on the transatlantic voyage since its inception.

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Fireproof Construction
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Rates in Keeping With the Times
220 Rooms

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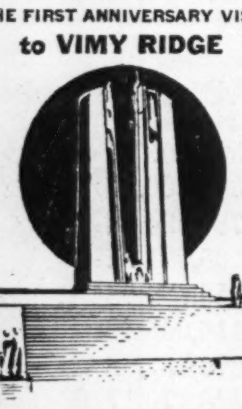
The Cavalier Hotel and Beach Club
Virginia Beach Roland Eaton MANAGING DIRECTOR

VIMY REUNION
-1937-
THE FIRST ANNIVERSARY VISIT
to VIMY RIDGE



AT REDUCED OCEAN RATES
for Members of the Canadian Legion and their dependent families etc.

Sailings from Montreal
July 9th—"AURANIA," "LETITIA"
" 16th—"ALAUNIA," "ANDANIA"
" 23rd—"AUSONIA," "ATHENIA"

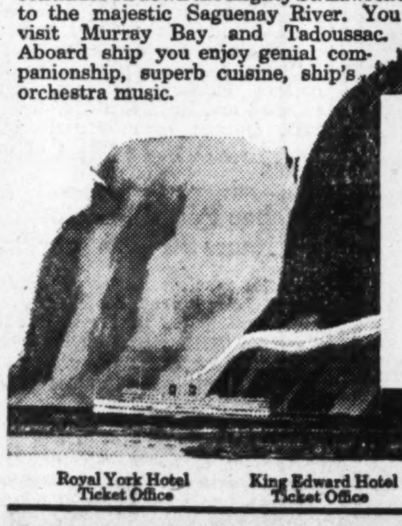
Tours of four weeks duration, will visit Vimy Ridge, The Battlefields, Paris, Versailles, Malmaison and London.

Inclusive costs from
$256.
according to class selected.
Optional tours to Germany are available

For complete information apply to the nearest office of the
CUNARD WHITE STAR LIMITED
DONALDSON ATLANTIC LINE
217 Bay Street (Elgin 3471) Toronto
but the man to see is your local agent.

VIEW THE FAMOUS BEAUTY OF THE SAGUENAY

There is a world of pleasure and thrills in a trip to the Saguenay. Starting with a cruise across Lake Ontario, through the Thousand Islands and down the Rapids, the steamer continues on down the mighty St. Lawrence to the majestic Saguenay River. You visit Murray Bay and Tadoussac. Aboard ship you enjoy genial companionship, superb cuisine, ship's orchestra music.



ALL-EXPENSE TRIP—including meals afloat and ashore, sightseeing trips, a day and a night's stopover in Montreal and in Quebec at leading hotels. 8 days, all inclusive **$95.00**

Round trip, including meals and berth **$65.25**

Steamers leave Foot of Bay Street

Reservations or information gladly supplied by your nearest railroad or tourist agent or

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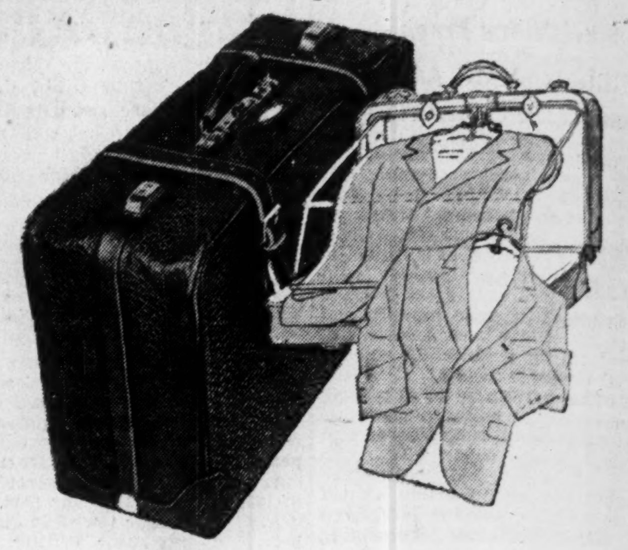
For Your Holidays



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EACH 11.50. Others 15.95 to 35.00

A Week-end "Winner"

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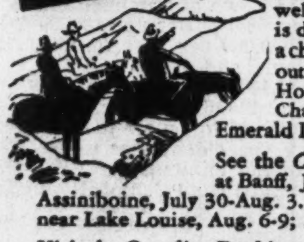
At our office — MacLean Publishing Company, Room 623, Graybar Building, 420 Lexington Avenue, with entrance from Grand Central Station.

amid the splendor of our own
CANADIAN ROCKIES



Our own magnificent Canadian Rockies welcome you to a vacation as carefree as it is different. Ride sky-line trails . . . golf on a championship mile-high course . . . swim in outdoor pools. At the baronial Banff Springs Hotel everything makes your stay delightful. Charming, too, are Chateau Lake Louise and Emerald Lake Chalet. All open June 12 to Sept. 13.

See the *Calgary Stampede*, July 5-10; *Indian Days* at Banff, July 23-25; *Trail Ride*, Banff to Mount Assiniboine, July 30-Aug. 3. *Sky Line Trail Hike Camp*, Larch Valley near Lake Louise, Aug. 6-9; *Banff Golf Week*, Aug. 23-28.

Visit the Canadian Rockies and see for yourself the majestic scenery shown in "Silent Barriers"—spectacular Gaumont-British film now showing in the theatres.

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Coach	$ 64.55
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Coach	$ 73.65
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On sale: May 15—Oct. 15. Return limit: first class, Oct. 31; tourist or coach class, 6 months in addition to date of sale.

***21 Days Round Trip First Class Fare $ 76.25 to BANFF**

*Plus sleeping car fares.

GREAT LAKES—Ask for particulars of routing via the Great Lakes—an attractive cruise-interlude in your rail journey.

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4 COLORFUL DAYS
2 days each at Banff and Lake Louise with visit to Emerald Lake...... $57 up.

6 WONDERFUL DAYS
2 days each at Banff and Lake Louise; plus 1 day optional at Banff or Lake Louise, and 1 day at Emerald Lake..... $74.50 up.

Tours begin at Banff or Field June 12, conclude Sept. 13, and include hotel accommodation, meals, and 126 miles of Alpine motoring. Extra reductions for stays of two weeks or more. Add rail fare from starting point to Banff (or Field).

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